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THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

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TARIFF DEBATE CLEARS THE AIR FOR BUSINESS

Principle of Protection Sustained Under the Budget

R. R. RATES AND WAGES

Further Reduction in Costs of Business Having Good Effect—Crop Reports Continue Optimistic

The course followed by the Conservatives and Progressives in the Commons in attacking the budget from opposite angles has strengthened the position of the government on the general tariff policy involved. The more effective criticism has to do with certain proposals affecting various industries and business as a whole, and with the fact that there is no evidence of a real effort at retirement. There has been indicated inexperience with business matters but an opportunity has been provided for changes in such cases as the check tax. Altogether there is increasing evidence that the government has shown no effort to adopt measures which would materially affect protection and that, as predicted, the election platform has had little real bearing on the budget program. The attitude of the government was perhaps best and bluntly described by Hon. W. R. Motherwell, when he said: "If I made one will last year and another this year which would hold?"

Business then has been little affected by the budget. The further announcement of wage cuts affecting railroad workers in the United States directly—and indirectly bearing on Canada—the proposals of the Canadian roads for freight reductions and continued reports of favorable crop conditions, particularly in the West are more significant factors. Further progress in the direction of general improvement is no doubt being made but there are many retarding influences. The situation in Canada is similar to that in the United States where, according to B. M. Anderson of the Chase National Bank of New York: "Very substantial progress has been made from the extreme depression of May and June of 1921 and further progress may be reasonably anticipated in the near future, but the best business and banking opinion is not looking for anything partaking of the character of a boom and would be very apprehensive if any boom phenomena should manifest themselves. Underlying conditions are such that with prudent business policies we can reasonably expect modest improvement and can expect that such improvement will be soundly based. But the best banking and business opinion clearly is that efforts to whip up intense business activity by propaganda should be depreciated, and that any violent spurt which such methods might lead to would be unsoundly based and would lead to sharp reaction.

Railroad Strike Talk

The reductions of railroad wages and rates are particularly significant as paving the way to other adjustments in restoring the balance between producers and consumers, a process which will be far from complete, however, until the farmers get a crop which will provide a margin of profit sufficient to buy a normal amount of goods at the prevailing prices. Commenting on this situation, Hayden, Stone & Co., Boston, say:

> Labor conditions, undoubtedly, are more in favor of the unions than they were last October; it would be more difficult to replace a considerable body, even of unskilled workers, than it was then. On the other hand, public sentiment is probably not in their favor. The practical demonstration in the last few months of the power of the railroad buying in restoring prosperity has undoubtedly strengthened the feeling that this power should not be impaired, and that the railroads, as well as their employees, are entitled to a living income. The wage reduction, if extended to other branches of the service, will about offset the rate reduction, but unless this were made effective, the falling off in buying by the railroads would—perhaps—nullify any benefit arising from a lowering of rates; indeed, comment by steel interests, who are supposed to benefit as much as any by lowered rates, indicates a very mixed feeling on the supposed benefit to be derived. In short, the issue of continued prosperity is put very squarely up to the unions, and we believe that the temper of the business community is such as would not support any strike action, particularly as it is realized that railroad wages, even after such a cut, will still be above those in other lines.

Crops Look Good

Wired advices to The FINANCIAL POST from the Department of Agriculture in Saskatchewan indicate that the weather generally has been very

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COMPLICATIONS

News items in connection with two cases of interest to the financial world held space in the papers this week; plans for bringing before a Grand Jury the charge against D. C. Macarow of the Merchants Bank, and also a charge against C. O. Cameron relating to the firm of Thornton Davidson and Co. In the former case the prosecuting counsel is C. A. Wilson, K. C., and in the latter case the counsel for the defence is C. A. Wilson, K. C. What a horrible dilemma Mr. Wilson would be in if as prosecuting counsel he started out to consult himself as defence counsel on the advisability of calling C. O. Cameron as a witness in the Macarow case!

COOL WEATHER SOON RELIEVES WESTERN CROP

All Reports Are of a Highly Satisfactory Character

From Our Own Correspondent.

WINNIPEG.—After ten days run of extreme heat a forty degree drop in temperature Monday night brought immeasurable relief to the Western crops. Showers Wednesday further tempered the situation. Rain was needed though the situation was by no means out of bounds. The heat wave was checked before farmers had real cause to worry. Two overcast days and cold nights should retard growth satisfactorily. The two railway reports are favorable. Young grain is making good headway and moisture situation generally is regarded well.

The Grain Exchange indicates no drought. Even sections where drought has been prevalent other years at this stage are in good shape.

Grasshoppers are alarming Alberta but fighting apparatus is at work. Remarkable growth is reported from all points. Propagation of seed being quick and vegetation rapid. Late grain will soon overtake earlier sown. Business sentiment considerably cheered.

WANT TO KNOW ABOUT HYDRO DEAL

Township of Lobo Will Not Be Rushed Into Things By Beck Machine

From Our Own Correspondent.

LONDON.—Because the whole council of the Township of Lobo have refused to be forced into signing an agreement for Hydro power with they claim they do not understand, certain followers of Sir Adam Beck in London and in Lobo are greatly wrought up. The councillors called a special meeting of the ratepayers on Saturday evening and put the matter squarely up to the people stating that they believed they were acting solely in the interests of the taxpayers in taking the action they did.

Philip Pocock, chairman of the Utilities Commission at London and a strong supporter of Sir Adam Beck and A. O. Hunt, assistant manager of the London Utilities tried to inveigle the councillors into signing by playing up the success hydro had been in other municipalties.

The councillors stated that they had been to see solicitors about the matter and were not prepared to sign the agreement until they understood it.

"We feel that we do not understand the agreement," said Reeve Campbell. "All we want to do is to protect the ratepayers to the fullest extent. If I read the agreement rightly the Township of Lobo agrees to collect all charges which will be levied in connection with the operation of the Hydro in the township. That portion of the township which will receive no benefit should not be called upon to make this guarantee in my estimation. We have been accused, and accused unjustly of causing a delay. We are acting solely in what we believe to be the best interests of the taxpayers."

CANADIAN WOOLLENS

MONTREAL.—In order to concentrate operations in one place Canadian Woollens have transferred the "Standard" mill in Toronto to Peterboro where their other two mills are located. This, it is expected, will save a considerable amount in overhead charges. The Company is finding business good at the present time and running well ahead of last year.

PLAN DOMESTIC LOANS TO RETIRE VICTORY BONDS

Bond Dealers Prepared for One This Fall and Succeeding Years

BOND MARKET AHEAD

In Marking New Phase of Improvement in Affairs—Bond Men Very Potent Factor

By Russell D. Bell,*
President Canadian Bond Dealers' Association

During the last year the bond market in Canada has definitely passed into a new phase of the cycle. The lowest point for prices of fixed income bearing securities was reached the latter part of 1921 and, with the passing of that point, we passed the critical moment in the investment situation. The process of liquidation ing the inflated position which this country reached in 1920 has been comparatively slow. It began later and has proceeded at a less rapid pace than in the United States.

For this reason our bond market has been almost ahead of its time in marking the improved conditions in the country's affairs. The heavy premium on United States funds and the very high favour which all things Canadian enjoy in the United States market combined to relieve this market of a great deal of financing. With the sharp decrease in interest rates for long term investments which developed toward the end of last year, the American absorption of Canadian securities became very large, broadening out to include public utility and industrial bonds. In this quickened interest in Canadian financing by American firms, the Canadian bond dealers have been, as always, the stimulating factor. As a result of this cause, acting in addition to the usual investment demand created by the liquidation of industry at home and depressed business conditions generally, the bond market has made substantial progress.

The Day of 5's

Interest on long-term investments has declined materially. The 6 per cent. provincial coupons have been replaced by 5½'s. The day of the 5's may not be far off. Public utility 7's will be succeeded by 6's and industrial 8's have given way to 7's and 6's. The bond market always leads the way in the road toward more normal conditions. Due to the causes mentioned, it is now further in the lead than is usual at this stage in the cycle of affairs. Progress in other directions has been slow in comparison and is only now beginning to give evidence of itself.

Relieving Banks of Current Loans

As you bond dealers fund the current liabilities of governments, municipalities and corporations, you become probably the most potent single factor in relieving the banks of current loans. The reduction in the cost of investment money has not yet been reflected in the reduction in the cost of loanable funds, but it is the very surest indication possible that such a reduction will eventually take place. Your work is all in the direction of relieving the situation, and when your influence, in conjunction with all the other influences at work, have finally created a normal money situation, the real forward movement of prosperity will commence. So far, your work has been largely in the way of funding obligations already incurred. New issues, however, are now beginning to have a more constructive end, that of providing new facilities, increased business,, etc., and this will have a greater effect upon the country's slowly accelerating business activity.

Resignation Not Eagerness

Considering the immediate future, the last big operation of the former type still remains to be done. The funding of the Dominion Government obligations coming due at the end of this year will probably fall to your lot and, while I think you all approach that task with feelings of resignation rather than of eagerness, its utility is so great that the sense of duty well done will probably compensate you, as I am sure it has in the past, for the possible lack of substantial reward. You may interpret that statement according to your own feelings in the matter.

Looking ahead to what should be in the ordinary course of events, a period of gradually declining interest rates extending over a period of years with only temporary setbacks,

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*From address delivered at annual convention of association at Montreal, Thursday of this week.

Big Boss Wanted

The wall-paper manufacturers of the United States are having a good deal of trouble. Recently in Chicago, Boston and New York conventions have been held in an effort to reconcile the differences between manufacturers, jobbers, bookmen, painters, decorators, etc., so that all might pull together for the good of the industry instead of pulling divergently. The Upholsterer, a leading trade organ, remarks that this was a get-together movement, "but no orchestra gets together by each of the various instruments playing a separate tune; they must at least get together on one melody. There was a chaos of problems, each one of which justified an evening's discussion. They were all fired into the meetings like the contents of a shot-gun, with scattering results. One leaves a meeting of this character with the feeling that everybody is throwing sand into the machinery and no effort is made to clean up." And more to this effect. The Upholsterer concludes that the only way out is to have a strong general manager or big boss for the whole wall-paper industry of the United States as they have done in the moving picture business, as they have done in baseball and as they have done in numerous other organizations, that have fallen foul of public opinion generally and class opinion.

Manufacturers in Canada are in a much worse position than are the wall-paper makers in the United States. They have been put in a bad position by the shortsightedness of a few individuals who claim to speak for the manufacturers as a whole. These busybodies have insulted and made enemies of all other classes and the great mass of reputable manufacturers have to suffer. By taxes, super-taxes and hampering regulations and up-lift restrictions, until a lot of us are figuring that it is going to pay best to get out of productive investments and buy Victory bonds or farm mortgages.

The remedy is the "big boss"—the $50,000 type of general manager. He will curb the men who misuse the C. M. Association to advertise themselves; and he will see that manufacturers are represented as they really are, the most valuable cog in the great factor of Canadian development.

"The moving picture people have established a censorship and have appointed Will Hays as the big boss. Is there not one man in sight that can be big enough to be the big boss of the wall-paper industry?"—The Upholsterer, New York.

Manufacturer To Be Further Taxed

Under the heading "FURTHER TAXATION OF ONTARIO MANUFACTURERS TALKED OF," attention was directed by THE POST in its issue of May 19th to the unfortunate attitude of pique displayed by spokesmen of the C.M.A.—not by the representative manufacturers—towards the Ontario Government and its program. It was pointed out that the manufacturers were already heavily taxed and super-taxed but it was predicted that the foolish policy of the little group of busy-bodies directing certain activities of the association would result in still further taxation on the manufacturers and business.

This has come sooner than we expected. This week the Ontario legislature put through the committee stage a bill for more taxes. It places an income tax on partnerships, by enabling a municipality to double assessment where a business tax only is now paid. The municipality can now assess for the amount of income from the business when it is incorporated.

THE POST has been accused of ulterior motives and subjected to petty persecution because working in conjunction with bigger men in industry, we have persistently fought the group of little fellows in Toronto, headed by S. R. Parsons, who had seized control of the C.M.A., misrepresented the membership greatly and estranged one class after another. Formerly the great work manufacturers are doing for the country was understood and appreciated. The public knew that profits were invariably used for further development. They were very properly exempted from all taxation, placed on non-productive investments. Municipalities often taxed themselves directly to help local industries.

Manufacturers must regain public sympathy. The pin heads must be eliminated. The big men must come back and place their affairs under a strong general manager as have other organizations finding themselves in a similar predicament.

The C.P.R leads the way in Re-establishing German Trade

The FINANCIAL POST has frequently expressed the opinion that no matter what sentiments we as Canadians might individually hold regarding the Germans, trade relations would gradually be resumed; that sentiment would not hold out against economic forces, that to try to prevent an economic readjustment would do us as much or more harm as our late enemies. We have been soundly condemned by trigger-brained patriots who can not vision a year or so ahead.

Last week it was announced from London that the Empress of France of the Canadian Pacific Lines had arrived at Hamburg with a cargo of Canadian products. This was the first trip in the new Germano-Canadian service. And the Empress of France was MADE IN GERMANY.

In connection with this new service between Canaad and Germany, Sir George McLaren Brown British representative of the C. P. R. declares that "Germany, which is now exporting a considerable quantity of goods to Canada will in the not far distant future take large quantities of Canadian raw materials and foodstuffs German supplies will have to be replenished soon and when exchange improves I hope that Germany will buy largely of Canadian grain and material products."

As a matter of fact the exports from Canada to Germany for the last fiscal year—ending with March—amounted to $8,215,337 as compared with $610,528 in the previous year, nothing in the war years and $4,004,019 in the year ending in March 1914. In previous years the figures of German purchasers in Canada were:—1911—2,028,649; 1912—3,577,847; 1913—3,049,1105.

Thus we see then in dollars our exports to Germany are already double what they were before the war. The value of the dollar is of course an important factor but still there can be no doubt that Germany is going to buy heavily of Canadian products. And who is going to suggest that we refuse to sell?

This development would seem to be all the more favorable in relation to the all important balance of trade when it is stated that for the same fiscal period imports "from Germany" amounted to only about $1,500,000 as compared with nearly $15,000,000 in the year before the war. It must not be supposed, however, that these figures indicate all the German goods coming into Canada. When restrictive legislation went into effect German exporters immediately established connections with agents in Holland, Switzerland, England and the United States and made their consignments as exchange favored. We are to-day probably not only buying much more from Germany than the import figures indicate but much more than we are selling. It is for this reason that Canadian capital and Canadian labor look to the government to prevent the "dumping" into Canada of German products. We must expect to buy in Germany in order to sell but manufacturers and workers in this country should be protected from the 'competition of underpaid labor and debased currency.

Canada and Germany are exchanging products. The Canadian Pacific realizes it and proposes to profit by it. The Financial Post foresaw this development and said so in the face of sentimental criticism of disloyalty. It is not a question of sentiment but a question of good business.

Price Bros. Running Mill at Capacity

From Our Own Correspondent.

MONTREAL.—Reports from Price Bros. and Co., mills indicate that they are running to capacity with a production of nearly 300 tons of newsprint a day. For all of this a market is assured. This condition, it is believed, will continue for the balance of the present year. In addition there is some improvement noted in the lumber business, and within the last week or so the first shipment from the Province for export to England took place, and it is expected that this will be followed by other shipments. During the past winter the Company cut about 25 per cent. of its normal quantity of pulpwood and will go into the woods this winter probably for a normal supply.

A FREIGHT CUT WOULD HIT THE NATIONALS HARD

Unless Labor Costs Were Reduced At Same Time

PRIVATE EFFICIENCY

Is In Evidence Wherever Private and Public Operation of Railroads Can Be Compared

Special Correspondence.

OTTAWA.—Reduction in Canadian freight rates will inevitably follow the recent judgment of the Interstate Commerce Commission at Washington. Whether we like it or not, railway control in that sense centres in a foreign tribunal. We have our own Railway Commission, of course, and all judgments in respect of tolls must emanate from that board; but the National Railway Labor Board at Chicago must first act before either the Interstate Commerce Commission or the Canadian Railway Commission can deal with the matter. This anomalous situation arises out of the pivotal place of wages in operating expenses.

In the present trying position of both Canadian and American railways as to earnings, a cut in freight rates means an equivalent loss to the roads unless there is a reduction at the same time in operating cost. The only item in expenses which is state-controlled is wages; but they make up from 60 to 65 per cent. of the whole account. Wages are in the hands of the Labor Board, and rates are regulated by the Interstate Commerce Commission. That is in the United States. In Canada we have only the Railway Commission, with no control over wages. Hence, owing to the international scope of the railway brotherhoods and most of the unions, the Canadian tribunal must await action by the Labor Board at Chicago before it can exercise its functions with regard to transportation charges.

Would Hit Nationals

The immediate effect of lower freight rates in Canada will be to hit the Canadian National group very hard, unless the Labor Board comes to the rescue with a considerable decrease in wages. The Canadian Pacific will also be adversely affected; but in that case the loss will merely reduce profits. In the case of the government lines it means just so much added to the deficit. Thus far the Labor Board has made an adjustment downward in respect only of the wages of maintenance of way men, which falls a long way short of countervailing the loss on the side of revenue; but a decision affecting shopmen is pending. It looks, however, as if these two reductions in the pay roll will not exceed sixty per cent. of the cut in income.

This situation grows directly out of public operation and very aptly illustrates the drawbacks attaching to that policy. It was during the period of federal control in the Unit-

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MOTOR BUS MAY BE SOLUTION OF RAILWAY PROBLEM

Will be Salvation of Many A Short Line Steam Railroad

CAN RUN ON RAILS

Lower Operating Costs With Largely Increased Service Will Result From Its Use in This Way

In advising caution with regard to expenditure of large sums of money in building electric railways, The FINANCIAL POST has on several occasions in the past pointed out the possibility of transportation by rail being to some extent supplanted by motor bus traffic. A further development of the motor bus has lately been seen in several instances in the United States which bids fair to solve the problem which is now confronting the steam railroads of this continent by reducing their operating expenses while at the same time giving a largely increased service. The development referred to is the use of the motor bus on steel rails.

The subject was recently dealt with by Edward Hungerford in an instructive article in Collier's, and the facts there brought out should render doubly cautious those who may be inclined to spend money in the development of electrical transportation relying upon the assumption that the present steam railroads are incapable of competing for short haul traffic.

After dealing at length with the possibilities of the motor truck upon paved roads, Mr. Hungerford continues:

So much for the motor vehicle upon the paved road. Consider now its opportunities upon the steel highway. Recall, if you will, the tractive effort increased some fifteen to twenty-five times by the use of the smooth rail top, and then consider how consistently our railroads, both steam and electric, have refused to adapt this new engine of great energy to their many necessities.

The opportunities for the gasoline motor unit upon the tracks of the big steam railroad are vastly larger than those offered by its smaller brethren of the trolley wires. Nor is it always the big steam railroad that offers the only chance for successful installations of this sort. The position of the so-called short-line steam railroad (roads of less than 75 or 100 miles of length) is in most cases much worse to-day than that of the larger roads. Of the 1,626 miles of steam railroads abandoned in 1921, chiefly for lack of patronage, a very large proportion was in the trackage of the short-line properties. These little roads have been sloughing off their wretched existence.

The owner of a small road up in northwestern Pennsylvania saved his skin in this way. He found that his single gasoline unit could be operated at about 30 per cent. of the cost of the simplest steam train. His oil comes from near-by wells. He buys it at great economy. His good-sized truck—it will carry some 7 or 8 tons of freight or passengers—is able to make six round trips a day over 12 miles of line at less cost than a small locomotive and train could be operated for two round trips. In other words, he may triple his service—with an inevitably beneficial result to his passenger earnings— and still make real savings in his operating costs. A road which otherwise would have added to that large aggregate of abandoned railroad mileage for 1921 has been saved—to the great benefit of the communities it serves.

What Railroads Could Do

The god of our railroad operation in the United States to-day is the train-mile. Which, whether in freight or passenger service, means a standard mile computed from the total number traversed by all the trains in a day, week, a month, or a year. Upon these findings men rise or fall.

For nearly twenty years past our railroads have faced steadily increasing costs in wages, fuel, and raw materials. Until very recently, without large opportunities to increase their charges, they have sought to combat a steadily decreasing net revenue by accomplishing fresh economies in operation. In the twenty-year period the man that could operate railroad trains at the very greatest economy—not always efficiently—has become the man, the bright-eyed chap who was supposed to sell transportation, has been forced to take a back seat.

The successful adaptation of the gasoline motor unit to the railroads of this country must come through a campaign of real transportation salesmanship. The mere use of it to replace steam trains in the present much depleted and highly inadequate local passenger services, will never afford it anything like a fair test.

But suppose that a steam-railroad executive were big enough and far-visioned enough to tell his operating heads to forget for a time the passenger train-mile, and see not how cheap but how good a service they could render on branch lines with the gasoline motor units. Suppose he were to say:

"We are going to be good sports, and at the outset share with our public some of this 75 to 83 per cent. of saving cost of operation of the gasoline units over steam trains. Which means that we are going to forget passenger train-miles as our absolute measure of efficient and economical operation, and think of our economies in dollars and cents. Further translated, this means that we are going to increase our train-miles, perhaps all the way from 75 to 100 per cent. with a large saving still in our dollars and cents of cost, are going to give the public so genuinely improved a service as to increase our passenger revenues well beyond what they have been in recent years."

I am not so pessimistic as to refuse to believe that there are railroad presidents who would not take this step to-day if it were properly put before them. They would regard the replacement of dirty worn-out steam trains upon their branch lines by bright, clean, new motor cars as a real step forward in their transport service. Such a step forward should mean a real opportunity in the merchandising of transportation. Which would mean not only such generous advertising as was necessary to meet the necessities of the situation, but perhaps the making of attractive rates or any other of the proved steps necessary for the good merchandising of any product. Transport is a product, and as such is not exempt from the merchandising rules that govern the brisk sales of all other products.

Where the Bus Is Supreme

Too little has been said about the opportunity of the gasoline-driven vehicle upon the steel rail. We have let ourselves think too much about its performance on the public paved highway. They are ever present and obvious. We see a well-designed, well-operated truck making quick deliveries from a city store to your own front door in the suburbs; it saves us time and money; but we ought not to rush on to the belief that bigger trucks will replace box cars from coast to coast.

PHYSICAL VOLUME TRADE 50% OF 1913

But Value Is Almost Equal To That of Year Before The War

Value of international trade of 1921 was about the same as 1913, is the conclusion of the Research Division of the Bureau of Domestic and Foreign Commerce, at Washington. Figures available from some leading countries show physical volume was a little more than half of that of 1913, and gain over 1920 was insignificant.

Combined trade of twenty leading countries in 1913 was $31,593,392,000, or 76.3% of world trade. In 1920 their trade aggregated $53,718,663,000. In 1921 it declined to $31,634,021,000, or to within $40,629,000 of the pre-war year.

Outside of these countries the shrinkage was heavy. Russia, Austria-Hungary and contiguous European states, except Germany, are not included in the twenty. Outside of United States, Canada, France and Great Britain aggregate value of trade of the countries which are included was in 1921 far below 1913.

REFUNDS UNDER THE DRAWBACK ACT

Amounts of Duties Repaid to Manufacturers on Export Products

In the House of Commons some information was recently given regarding the drawbacks allowed to leading Canadian industries. Mr. Fansher asked:

1. What amount of money collected in customs duties was refunded under the Drawback Act, during the fiscal year ending March 31st, 1922; (a) on goods imported and used in the manufacture of articles for export; (b) on goods imported and used in the manufacture of articles for home consumption?

2. What are the names of twenty-five manufacturing firms which received the largest amounts, and what amount was received in each case?

In reply Mr. Lapointe gave the following information on behalf of the Minister of Customs:

1. (a)	$9,496,107
(b)	1,391,459
Total	$10,887,566
2. Atlantic Sugar Refinery	$1,572,846
Ford Automobile Co.	755,185
Harris Abattoir Co.	384,111
Canadian Kodak Co.	335,823
Davies, Wm. Co. Ltd.	335,757
Massey Harris Mfg. Co.	293,628
St. Lawrence Sugar Co.	273,632
Spanish River P. & P. Co.	192,397
Algoma Steel Corporation	187,488
Fort Frances P. & P. Co.	167,114
Steel Co. of Canada	159,050
International Harvester Co.	158,903
Quaker Oats Co.	155,745
Canadian Car & Foundry Co.	152,691
Canadian Cons. Rubber Co.	152,286
Canadian Packing Co.	133,510
Goodyear Rubber Co.	121,516
Dominion Corset Co.	120,152
Brompton Pulp & Paper Co.	117,341
Montreal Locomotive Co.	113,890
International Plow Co.	111,673
Laing Produce Co.	111,183
Singer Sewing Machine Co.	108,174
Page Hersey Co. Ltd.	107,234
Maple Leaf Cond. Milk Co.	101,688

WEST BEGINNING TO APPRECIATE BIGGER ISSUES

Budget Will Be Tolerated Because the Money Is Needed

RECOGNIZE GOOD MEN

Opinion That All the Politicians Are Not Crooks or Tools of Big Business is Generally Accepted

From Our Own Correspondent.

REGINA.—Saskatchewan Progressives are inclined to view with more or less equanimity the government announcements—contained in Hon. W. S. Fielding's budget—concerning the tariff. However, they are pretty emphatic in the belief that no assistance in reducing the prices of commodities which the farmer has to purchase will accrue because of the proposed revisions. At the same time, many of them are inclined to consider the criticisms of Norman Lambert, secretary of the Canadian Council of Agriculture, as somewhat extravagant. They would, in a word, rather hear what Mr. Crerar has to say about the matter.

This illustrates the existence of a somewhat obvious difference of opinion in Progressive ranks, wherein the Saskatchewan detachment of the New National Party are seen to hold views at variance with the more extreme opinions of H. W. Wood, the Albertan farmer stalwart and Mr. Lambert.

The Saskatchewan Progressives, while critical of the government, are not throwing any monkey wrenches in the machinery; in other words they are reluctant to obstruct, but immensely anxious to assist in anything which looks meritorious in the way of legislation. The reason why they are making little fuss over Mr. Fielding's tariff proposals is no doubt because they are beginning to realize more and more the position of affairs in Canada at the present time, the outstanding factor of which is the need for money.

As one of the leading Progressives, who returned from Ottawa recently, expressed it, the N. N. P. members are gradually becoming convinced that there are a few honorable and upright politicians outside the ranks of their own group.

When the western Progressive members, in the first flush of their election, made the pilgrimage to the seat of government, they had one abiding conviction—that all politicians who were not Progressives were the tools of BIG interests. The term "big interests" played a big part in the pre-election speeches and wide-flung, printed propaganda which emanated from the bureau of the Canadian Council of Agriculture.

Not All "Crooks"

Though the political organization which manipulated agrarians into line at the polling booths informed these embroyonic M. P's they were to be the regenerating and purifying element in Canadian politics which would once and for all time purge the national life of its putrefying graft, those same organizations at the same time laid down a corrective policy somewhat at variance with these puritanical views.

The corrective was to be a Wheat Board, a national monopoly for the benefit of one class—the farmers. In place of the big interests under the antiquated party system of government, there was to be the bigger, biggest interests.

And now the Progressives at Ottawa, at least the Saskatchewan standard bearers, are beginning to realize that many of the men who represent the old-line parties in the House of Commons, are less steeped in vice, less corrupt, less criminally-inclined than they had been led to believe. At first it was a case of charitably seeing a little good in a mass of evil; later the evils seemed to take on a new aspect and became less objectionable. Still later certain things which appeared as evils and had seemed to exist solely for the purpose of doing the prairie farmer out of his rightful rights, became, in the light of new knowledge, rather essential to the business of the country. M. P.'s of the new group began to see that the carefully thought out policies of certain statesmen who had been running Canada more or less efficiently for a number of years, were not far wrong after all.

The latest discovery of the Progressives is that Canada must have money to carry on. If it does not come from the tariff, they frankly cannot suggest another adequate source no matter how pronounced their free-trade views may be.

During the election, a tax on land was proposed by the N. N. P. "stumpers" as an alternative source of lucre, but second thoughts have again changed their views. They realize that the farmer would pay pretty heavily under such a plan and that the speculator in land—who at this time has about liquidated—would get off scot free.

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THREE ESSENTIAL POINTS IN USUAL MINING VENTURE

In Applying Them Many Risks Can Be Eliminated

THE NORTHERN BOOM

Mineral Wealth of Ontario Has Been Well Proven—Three Stages for Investments to be Considered

By Austen R. Campbell.

The unquestioned success of the established mines, and the enthusiastic statements of every one who makes a study of the possibilities of Northern Ontario, have appealed to the imagination of all classes of people and have inspired in many a desire to share in the great profits that are being made and promised. Ask any dozen of average business men for their opinions on mining as an investment and eleven of them will reply: "Speculation, gamble,"—though if pushed for their reasons they will be forced to admit that ignorance of actual localities and conditions, together with lack of time or facility to intelligently investigate such enterprises, has perhaps inspired super-caution.

In the face of this public attitude the opinions of such men as A. F. Brighan, manager of the Hollinger Consolidated Gold Mines, are particularly valuable. Mr. Brighan is reported as saying:

> "No other country in the world has such great promise from the point of view of probable production and tremendous potentialities. In over 100 townships in which little work has been done there are hundreds of veins containing encouraging assays in gold. Great as is the Hollinger Company, it may even be that larger mines await development. There are thousands of undeveloped mining claims where encouraging values are in evidence. The great extent of the territory and the success already achieved marks this country for greater mining activity than has ever before been experienced in Canada."

A statement so positive and encouraging, coming from an authority, who, by intimate knowledge of mining in South Africa as well as Canada, is qualified to speak, will undoubtedly turn the attention of many otherwise sceptical men to an earnest consideration of the possibilities for profit in Canadian mines. The question then for an intelligent investor is less a doubt of the existence and discovery of valuable minerals, than it is to decide how he or she may best and most safely employ capital therein.

Three Essentials

In this regard it might be born in mind that successful mining demands three main essentials, viz.:

(1) Thorough and experienced prospecting.

(2) Adequate and intelligent financing.

(3) Qualified mine engineering and management.

A careful application of these questions to all mining securities offered, will eliminate 90% of the risk and also help to remove the stigma of gambling that has too long handicapped this basic industry.

The technical nature of the undertaking; its geographical location; the scientific data with which its simplest operations have been surrounded, seem to be a bar to some investors, who believe that because they are not familiar with the terms employed, that they would be foolish to risk money in a business they cannot understand.

Three Investment Stages

Broadly speaking, mining investments made be said to be divided into three general stages. First the "prospect stage," when the shares are usually sold at a discount from par and the possibilities for profit are vastly greater and the volume of possible loss proportionately less. Second the "development stage," before production actually begins. When the shafts are sunk and the tunnels and drifts are driven in the ore body to block out definite masses of ore of known value. Securities at this stage are often quoted on the exchange and are purchasable at figures usually in advance of the price during the prospective stage. Naturally the element of risk is less at this stage though the possibilities for large profit correspondingly reduced. The third stage is the "dividend" stage, when the mine is producing metal and marketing it profitably and is paying a definite known dividend. While purchase at this time is undoubtedly safest, the profit possibilities are so greatly reduced and the market price of the stock so enhanced, that the net return from an investment, while satisfying, is not be considered with the return received by those whose courage or good judgment moved them to secure their holdings at one of the earlier stages. In fact, in the case of the best of such mines, it may well be said that the possibilities for that spectacular profit return that most men seek, depend upon the discovery of new and rich veins on the property, or an extension or enrichment of the existing veins greater than was anticipated even by the mine managers themselves. An investment at this stage is less a speculation in actual mining than it is a venture in the manipulation or uncontrollable vagaries of "change."

CITY AND RAILWAY LOSE AT HAMILTON

It Is a Different Story When The Income of the Council Is Affected

As the result of unrestricted competition by passenger buses the receipts of the Street Railway Company at Hamilton, fell off sharply during the first quarter of 1922. So far as the company is concerned this naturally caused little concern in municipal circles where a five-cent fare had been so long and so strenuously opposed, but when it was found that the city's share of the receipts as well as the company's share was reduced it was regarded as entirely another matter. Receipts for the three months totalled $227,235, as compared with $258,906 during the same months in 1921, showing a reduction in business amounting to $31,671. The city's 8 per cent. amounts to $18,178 plus $25,210 mileage on twenty-two miles of track.

Acknowledging that the buses had evidently been eating into the street railway receipts, Controller Tope declared that the council had not been playing fair with the railway in allowing others to take business without charging them the same percentage. The reduction in earnings will, therefore, likely result in some immediate action on the part of the city. Controller Tope expressed the opinion of many others when he said that he did not see how the city could continue getting revenue from the Street Railway and allow this unrestricted bus competition.

MARITIMES ARE DEMANDING "RIGHTS"

Conference Gives Expression to Discontent Evident Since Confederation

Recurrent protests that they have not been fairly dealt with have been heard from the Maritime provinces ever since Confederation. This feeling of dissatisfaction recently expressed itself in the launching at Halifax of a Maritime co-operative movement "to promote the economic interests of the provinces by the sea and protect their political and other rights under Confederation." The Boards of Trade of St. John and Halifax are behind the movement.

The conference was in the nature of a stock-taking of the economic position of the Maritimes—a review of conditions regarded as essential to future progress. Such subjects were discussed as the provision of cold storage facilities and frost-proof warehouses to enable the assembling of perishable products for export, the establishment of a research institute to assure the better utilization of natural products, the restoration of railway rates previously prevailing on the Intercolonial, the limitation of the preferential tariff on goods entering Canada by Canadian ports and a federal investigation of the general marketing facilities for live stock in the Maritimes.

JUDGE GARY FAVORS SALES TAX PLAN

Says it is the Most Easily, Cheaply and Certainly Collected

The fairest method of taxation is found in the sales tax, so called. It is the most easily, cheaply and certainly collected. It his been found in other countries to be practicable, satisfactory and successful. The tendency is to make persons more economical and saving. The sales tax is just because it leaves to everyone the opportunity to decide what the amount shall be over and above actual necessity. It is less difficult to collect large amounts and works less hardship to honest people because it is so widely distributed. A cent to each twenty men is twice as much as ten cents to one man. Under the present income tax laws the cost of collection is unreasonably large, and many who are able to pay escape. For the good of all the people as a net result a sales tax is desirable.

I verily believe with a fair sales tax business would be better, the country would be more prosperous, individual opportunity increased and everyone made happier. Every plan which is just and applies in due proportion to all the people, in benefits or obligations, is likely to be the most satisfactory and to build up the nation on a sound and safe foundation. Those who have read with open and candid minds the many very able articles and editorials on this subject which have appeared in the newspapers must be convinced of the logic and fairness of this form of taxation.

CANADIAN RAIL CUTS IN WAGES AFTER U. S. ACTS

No Action Here Until Question Is Settled Across The Border

DOWN TO 1920 LEVEL

An Average New Wage Scale Down 21% Since July 1921—Unskilled Labor Cut Most

From Our Own Correspondent.

MONTREAL.—No action has been taken by the Canadian railroads to bring into effect the reduction in rates of wages ordered by the United States Railroad Labor Board, but as soon as the question is settled across the border the proposal to bring a similar reduction into effect in Canada will be brought formally before the groups of railway men concerned: the maintenance of way men, bridge and construction men, etc. The number of these in connection with the railways in Canada is between 45,000 and 50,000. The matter it is expected will be settled in accordance with the arrangement of the U. S. roads.

The last rate reduction in Canada was made in July 16, 1921, and amounted to about 10—11 per cent. after certain re-adjustments for Canada. The new reduction varies from one cent to five cents an hour. For instance the section men are reduced 5 cents; the bridge and building men 4 cents; section foremen and assistant foremen, 3 cents; helpers to mechanics in maintenance of way department, one cent; round house laborers and bridge tenders, 5 cents; crossing watchmen and flagmen, 5 cents, etc. It would appear as though the larger reductions were made to apply to unskilled labor.

In some cases the reductions will bring the pay to less than it was in July, 1920, when the last raise was made, applying for instance to track laborers, crossing guards, etc. Section and track foremen and assistants however, still will be 2 cents an hour above the rate prior to July, 1920. The average of the increase made at that time was 21½ per cent. This, on an average, will have been removed by the two reductions, the one of one year ago, and the new one proposed.

The Railroad Labor Board of the United States will continue ordering reductions, it is understood, for the various other groups, and just as was done when wages went up—Canadian roads will follow suit.

Standardization in Samples Develops

Improvement and standardization of sampling methods by the National Sample Men's Association has cut merchandise selling time one-half and has developed, since the organization's founding nine years ago, a present daily baggage transportation savings of $360 for each wholesale jobbing and manufacturing house represented.

The Association membership has tripled within the past two years now representing seventy-five American and Canadian houses. Speaking on the work of the Association, E. Filson of Louisville, said:

"Excessive rates on excess baggage necessitated new approaches by jobbing and manufacturing concerns and we have reduced baggage bulk by cutting sample sizes. This represents a 50 per cent. reduction, accomplished largely last year.

"The former difficulty of persuading merchants to examine several trunks of samples has been overcome resulting in a speeding up process throughout entire lines. We chiefly have reduced weight by eliminating heavy cardboard backings and large samples; substituting lighter weight sampling. This method is just as effective as the former ones."

BIG TOBACCO MERGER

Tobacco Products Corporation To Absorb United Retail Stores

Under the plan by which Tobacco Products Corporation will enlarge its capitalization and absorb United Retail Stores Corporation there will be obvious advantages. James B. Duke will be the most important factor in the management. Mr. Duke following the dissolution of the old American Tobacco Co., became identified with the management of British-American Tobacco, one of its units. Until the formation of the United Retail when he joined hands with Thomas F. Ryan and George J. Wheelan, Mr. Duke had not taken an active part in the management of any of the domestic tobacco companies.

It will permit the development of business of both companies to a degree not possible when they were operating separately. Mr. Duke is undoubtedly the most important factor in the development of the United States tobacco industry and the new combination places at his disposal opportunities for comprehensive expansion.

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MARKET HAS BEEN MORE ACTIVE IN CERTAIN ISSUES

Utilities and Transactions Claimed Investors Attention Throughout Week

HEALTHY UNDERTONE

Not All Brokers Believe That Markets Are About to Resume Forward Advance

The market as a whole displayed more than ordinary activity during the past week. The utilities claimed the largest amount of attention. The sudden jump in the course of sterling and the general improved business forecast have all tended to give a more healthy tone to the market and some brokers speak confidently of a rsumption of the forward movement.

In connection with the demand for industrial stocks the opinion expressed by McCauig Bros. & Company, Montreal, that in view of the steadily declining trend of interest rates all over the world many of the better industrials will sell considerably higher this year; in fact it is regarded as probable that within a comparatively short time a few well secured stocks will be available to return at the outside more than 8 per cent.

The Wall Street Journal the other day had a timely editorial on present conditions and quoted part of the letter of a brokerage house which has been steadily fighting the stock market advance this spring. The article read in part: "Such people fail to take into account this fundamental fact, that, in periods of depression, the market like the clock pendulum swings too far in one direction, and by the law of averages is entitled to recover a part of this swing the moment it becomes apparent that the business decline has ended. Some people hold that this first recovery is in anticipation of an improvement in conditions, but I think it fair to expect a fair sized come-back at the beginning of a bull market just by way of a recovery from the excess swing downward. The next rise is based on the revival in industry, and this revival we are now getting."

Commenting on the favorable outlook in Canada a current market letter from A. E. Ames & Company, Toronto is interesting:

The general depression throughout the world has had the effect of accumulating funds in some of the world's financial markets. Funds which ordinarily would be profitably employed in commercial enterprises have been directed in very important volume to Government and Municipal securities, as these were selling to yield the investors record high rates of interest. The volume of this demand has caused considerable initial rise in the price of such securities, but prices still are a long way from the prices prevailing prior to 1913 and 1914. The outlook at present indicated is for a gradual rise in prices and lower interest rates for some years to come.

It is interesting to note in this connection the historic parallels. After the Napoleonic Wars the prices of good securities rose and, correspondingly, the average yield declined for something like twenty years, and after the Civil War in the United States there was a temporary decline in the price of securities and a corresponding increase in yields, just as there has been in Canada during the years 1919 and 1920 and the first half of 1921. This temporary decline in prices of good securities, with its attendant higher yields, was, after the Civil War, followed by a rise in prices extending for thirty-one years. The indications are that history will repeat tiself to a degree and that our bond prices will rise for some years to come, but, in all probability, the rise will be much less abrupt than during the year just past.

A FREIGHT CUT WOULD HIT THE NATIONALS HAND

(Continued from page 1)

ed States that the famous McAdoo award was made. Associated with that award were the so-called "national agreements," which had the effect of fattening the wages by allowances for all sorts of reasons. No one who is familiar with all the facts of the matter could for a moment doubt that both the award and the agreements were in the nature of political expedients. The Labor Board was another political move, and the serious fact in connection with both is that they affect Canadian roads as automatically as if there were no international boundary to protect them.

In the light of happenings since 1918, we must all see that private ownership is somewhat of a myth. At all events, it is more a label than a fact. Full and unqualified corporate ownership would carry with it control over rates and wages; yet no railway in either Canada or the United States has a word to say about either. Both are in the hands of state tribunals. The only advantage attaching to private ownership is the right to determine administrative policy; but that is of vast importance. It makes the difference between efficiency and inefficiency—between profit and loss.

No Other Countries

France abandoned state ownership nearly a year ago, because it could not any longer stand the financial loss. Germany, which had the most efficient system of public railways in the world, has been driven to adopt a plan of mixed ownership. In the days of the Hohenzollerns the railways were practically part of the military system, and they were not only administered with skill but wielded a fair return on capitalization. The moment a republic was set up, and the politicians had a chance to get in their work, the state lines were not only allowed to run down but were shockingly overmanned with voters. The proof that such conditions attach to public ownership is found very convincingly in the fact that, amid all the disorganization which has taken place as a result of the war, privately operated German railways have held their own.

Advocates of public ownership, who have pointed to the success of the Australian railways, are now obliged to be silent. It is true that the Antipodean state system for many years was able to earn from three to five per cent. on capital cost. But this it did by imposing transportation charges which were among the highest in the world. For example, wool is the main commodity figuring in traffic. It makes up a relatively larger volume in commodity movement than does wheat in Canada. Yet while wheat was being hauled from the Canadian West at four-tenths of a cent per ton per mile, the rate on wool was two and a half cents. Taken all round, Australian rates were from three to seven times higher than Canadian rates. And then at the first pinch of adversity, which came as early as 1919, the Australian state system began to lose. Last year the deficit was enormous.

MINING STOCK QUOTATIONS

Week Ending June 6

	High	Low	Close	Sales
Apex	3	2½	2½	7,000
Atlas	21	20	20	24,000
Beaver	32	30	30	17,500
Chamber-Ferlands	4	——	——	1,500
Coniagas	1.30	1.15	1.15	105
Cons. Smelters	24¾	23¾	24	1,842
Crown Reserve	17	15	15½	3,650
Castle Trethewey	23¾	23	23	34,000
Dome Lake	10	9	9	5,500
Dome Mines	29.50	28.80	29.50	695
Gold Reef	2¼	2	2⅛	16,000
Hollinger	9.68	9.56	9.58	3,600
Hunton	7¾	6	6	14,500
Keora	10	9¾	9¾	7,500
Kirkland Lake	41	40	41	3,500
La Rose	34½	31	33	12,000
Lake Shore	2.27	2.18	2.18	2,800
McKinley Darragh	28	23	23	8,800
McIntyre	18.20	17.30	17.40	2,935
Mining Corp.	1.00	90	1.00	769
Moneta	11½	11	11	19,000
Newray	23	19	21	41,000
Nipissing	6.25	6.20	6.20	120
Ophir	2	1⅞	1⅞	22,000
Peterson Lake	7½	6½	6½	19,000
Porcupine Crown	26½	24	24	8,500
Porcupine Tisdale	1¾	——	——	10,000
Porcupine V. N. T.	27½	20	23	130,000
Preston E. Dome	7¼	6½	6½	5,500
Schumacher	65	62½	64	24,500
Teck Hughes	53	48¼	——	82,000
Timiskaming	30	——	——	100
Thompson Krist	5	4¼	4¾	20,000
Trethewey	3¾	——	——	1,000
West Dome	11	9¼	9⅞	41,500
Wasapika	7¼	5¾	7¼	38,000
West Tree	7½	5	5¾	50,500
Baldwin	7¼	5	7	70,000
Boston Creek	25	24	25	2,200
Hattie	14	——	——	500
South-Keora	43½	——	——	1,000
Wakenda	5	4¾	4¾	29,500
Wright Hargreaves	2.80	2.60	2.65	1,000

GREAT ACTIVITY IN THE GILLIES LIMIT IN COBALT

Follows Announcement of New Government Road

Special Correspondent

COBALT.—The greatest activity in the history of mining in the Gillies limit, especially the South East Coleman part which makes up the Southern portion of Cobalt, is now in progress. A large number of properties are receiving attention.

Great interest will then centre on this, the first pronouncement, that the Drury Government has decided to build a road from the Kerr Lake road through to the Oxford-Cobalt mine which company's holdings are in the central part of the S. E. Coleman area.

Prof. J. W. Russell, Western University, London, general manager and staker of the Oxford-Cobalt property makes the announcement of the new road and at the same time produced a letter from the Department of Works of the Ontario Government as the basis of his knowledge.

Cyril Knight, the Government Geologist recently reported on this mining area in his survey of Cobalt and referred to the S. E. Coleman area as one deserving of "discriminating atention," mentioning specifically that here the area where the upper contact between the diabase and Keewatin will no doubt be further explored.

Got Quick Action

"Evidently the government desired to be the first to set the example in the 'discriminating attention'," said Prof. Russell in making the announcement. It was only a short time ago that he took the matter of a road up and is greatly pleased with the quick action.

This will result in an immediate resumption of underground work on the Oxford-Cobalt and will result in a speeding up on several other properties. At the present time the cost of taking in equipment and supplies is almost prohibitive.

Work will be started on the road in the near future, Mr. Russell is informed, and when fit for traffic, a contract with the Dominion Reduction Co. to treat the ore dump of the Oxford-Cobalt will likely be gone on with.

Promising cobalt and silver has been found on the McAndrews south claim in the limit. The Crown Reserve is preparing for development work on its claims. The Merriman interests are erecting buildings, etc. The Victory mine, near the Beaver and Temiskaming has struck a couple of more promising veins carrying silver and cobalt. A high grade vein 1½ inches wide, carrying 3,000 ounce silver has been opened into on the A53.

OGILVIES ADVANCE

Rumor of Impending Split in Stock Is Denied

From Our Own Correspondent.

MONTREAL.—The keenest interest insofar as a rumor is concerned during the present week lay with the sharp advance in the common stock of Ogilvie Flour Mills Co. which in passing $250 a share showed an advance in a few months of making the capitalization $7,500,000, and that a good dividend would be paid on the stock that was split. This undoubtedly would be a welcome move in the street as at the high price now holding the stock is naturally beyond the reach of the average investor, or, to put it more correctly, he feels that it is rather hard for him to touch. Those in close touch with the Company intimate, however, that the question of a split has not been under discussion. Whether a generous bonus will be paid this fall or not is another question. So far as the business of the Company or of any milling company is concerned, there does not seem anything to warrant any sharp advances in the market at the moment. On the whole, business is very quiet with fair export offerings, a good deal of it due to the purchase on account of the Russian Famine Relief Funds.

The Strength of Water Power Securities

Strikes, deflations, inventories to mark down, and all other afflictions of the average industrial security have had but little effect upon strategically located Water Power Companies.

The services of Power Companies have been but little affected by changing business conditions. On the contrary, most of them are showing steadily increased earnings, both gross and net.

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You've seen the confusion and injustice resulting when a man has left no will; the arbitrary division; the forced sales. You pity the poor chap whose dollars are going so differently from what you know would have been his wishes. You wonder why he was so careless.

You've seen the losses from inexperience; when a devoted husband leaves everything in his wife's hands as sole executrix. Friends advise her to do this and that. In the end, the fortune which he wished her to enjoy is shrunk and wasted.

You've seen the losses from breach of trust, when the chosen friend, named as executor, couldn't resist the temptation to play the market with his trust funds, and had nothing to make good with when the market tipped the wrong way.

None of those things need happen to those you love. Make your will immediately. And name an experienced, trustworthy executor;—

The Canada Permanent Trust Co.
Toronto Street, Toronto
Paid-up Capital - - - $1,000,000
Manager, Ontario Branch - *A. E. HESSIN*

"Joy Shots" That Lead to Hell

By JUDGE EMILY F. MURPHY (*Janey Canuck*)

THIS IS the first of two articles in which Judge Murphy describes the menace that exists in Canada to-day in regard to the illegal traffic in narcotics. It gives actual facts from many Canadian cities and shows how the hypodermic needle is an even greater evil to combat than the opium pipe. The second of these articles will likely be in the July 15th issue.

Is Bootlegging a Passing Phase?

How common is bootlegging in Canada today? How do the members of the bootlegging profession carry on their business and what is their relationship to the officers of the law? These are two of the questions which are answered by A. Innes MacKenzie in a very colorful article describing the adventures, the fortunes and humorous rencontres of Canadian bootleggers from the Atlantic to the Pacific. Mr. MacKenzie writes whereof he knows, as he has spent several months studying this question and even associating with many of the bootleggers themselves, in the interests of the readers of MACLEAN'S MAGAZINE.

Other Features in the

JUNE 15th MACLEAN'S

What Will Radio Do to Us? *by J. L. Rutledge.*

A Ruthenian Wedding *by Clara Ward.*

What Shall I Do With My B.A.? *by G. E. S. Pringle.*

Barnstorming on the Chautauqua *by Agnes C. Laut.*

Babs and the Manager *by Leslie Gordon Barnard.*

The Valley of Bleached Bones *by Madge MacBeth.*

The Golden Fleece *A long "short" story by Bertrand W. Sinclair.*

Ovington's Bank *An intensely interesting serial by Stanley J. Weyman.*

Is the Canadian Flapper a Menace?

This is a question raised by Mrs. Gertrude S. Pringle in a startling article dealing with conditions as they too frequently exist in some Canadian centres. Extraordinary conditions are described by Mrs. Pringle, who is a thorough and conservative investigator. It is only too true, evidence regretfully shows, that some Canadian flappers are very much akin to their American sister who "parks her corsets and indulges in petting parties."

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HIGHER EARNINGS ARE REPORTED BY BARCELONA GROUP

Operations Show Expansion in 1921, Outlook is More Hopeful

DIFFICULT YEAR

Business Was Seriously Affected by World Wide Trade Depression, Working Capital Reduced

Notwithstanding the serious trade depression experienced in Barcelona during 1921 the Barcelona Heat, Light & Power Company, in their financial statement for the year show an increase of 5,622,207 pesetas in the gross earnings of the combined companies, over those for the year 1920. In the net earnings an increase of 3,234,798 pesetas is shown, which must be regarded as encouraging in view of the conditions of trade in the first part of the year.

The revenue of the company for the year stood at $2,065,537, as compared with $1,998,878 in 1920. Administration and general expenses were $160,936, interest on the 7 per cent. prior lien bonds, etc., $1,037,846, leaving a balance available for interest on the first mortgage bonds of $596,755. Interest paid on the latter amounted to $753,627, or equal to 2 per cent. per annum.

In the annual report it is noted that the company's dividends from the Tramways Company were not included in the revenue account, as the declaration had not been made at the close of the fiscal year. The dividend will amount to approximately $250,000, and this sum will be brought into the 1922 accounts. In addition to the year's revenue at $2,026,167, miscellaneous receipts amounted to $39,369, and adding the balance to the credit of the company of $156,972, the total revenue was $2,222,409.

Gross Earnings Increased

Gross earnings of the controlled companies during 1921, at 37,700,430 pesetas showed increase of 5,622,207 pesetas to 13,675,093 pesetas or 21.15 per cent. leaving net receipts from operations 24,025,337 pesetas, an increase of 3,234,796 pesetas or 15.56 per cent. The consolidated balance sheet shows assets totalling $124,162,503. as compared with $122,385,255. Floating assets are valued at $5,631,746, against $6,065,746 and revenue account at $1,003,954 compared with $847,081. Properties are valued at $106,928,622 against $103,932,600. Floating liabilities at $3,246,009 compare with $3,563,762.

President Peacock in the annual report illustrated the importance of a favorable exchange and pointed out that the net earnings were 3,234,798 pesetas greater than the net earnings for 1920, but in sterling there was a decrease of £46,747. The average monthly rate for 1920 was 23.32 pesetas to the pound sterling, whereas in 1921 this average was 28.52 pesetas to the pound representing a fall of 22.3 per cent. in the average value of the peseta for 1921 as compared with 1920.

Referring to the company's experience President Peacock says:

"The world-wide depression in trade seriously affected business in Barcelona during the year under review, but conditions began to improve towards the end of of the summer and there was a marked renewal of activity in manufacturing business in the last two months of the year, and this has been continued in the first months of 1922.

"Considerable extensions were made to the distribution system during the year, and further extensions are contemplated to meet the growing demand for power.

"There was a very substantial increase in the amount of taxes payable by the operating companies in 1921, and still further additions have been imposed since the close of the year. The burden of taxation constantly grows heavier, and is causing the board of directors some concern."

An encouraging item in the report is the statement that the year was one of perfect tranquility as regards social and labor conditions.

GENERAL ELECTRIC

Cuts Dividend on Common From 8 to 6 Per Cent.

The directors of the Canadian General Electric Company, at a meeting held during the past week, decided to reduce the dividend on the common from 8 to 6 per cent., a declaration of 1½ per cent. being made, payable July 2 to shareholders of record June 15. Mr. A. E. Dyment, the president of the company, subsequently issued the following official statement regarding the action mentioned:

"At a meeting of the board of directors of the company, held today, after having thoroughly discussed the matter of the dividend on the common stock, and having regard to the business conditions in Canada generally, and to this company in particular, not only for the past four months, but also the prospects of its business for the balance of the year, and also having in mind the very large amount of money required to pay the dividend of 8 per cent. per annum (viz. one million dollars), it was deemed advisable in the interests of the company that the dividend rate on the common stock should be reduced to 6 per cent. per annum, and this was done.

"The directors regret having to take this step, but feel, in view of the above, and the large borrowings of the company, that it is the only sound thing to do."

KING EDWARD HOTEL

Common Stock Has Been Listed, Block of $1,000,000 Available

The common stock of the King Edward Hotel Company, amounting to $1,000,000, has been listed on the Toronto Stock Exchange. One half of the stock mentioned is in the possession of the United Hotels Company, which has managed the local hotel for the past four years, and the other half is in the hands of investors. The United Hotels Company assumed control of the King Edward in April, 1918, and the following October an initial dividend of 5 per cent. for the half year was paid, the stock having been since maintained on a 10 per cent. basis.

King Edward common lately has been selling around 79½ to 80 and there has been very little offered. It is understood that the listing of the King Edward Construction preferred and common is being considered.

CANADA STEAMSHIPS

Some Arguments Why Security Prices Should Advance

Regarding the market for Canada Steamships securities, McCuaig Bros. & Co., say that the floating supply of both common and preferred is small and that very little buying would further advance prices substantially.

Judging from present indications net earnings in 1922, are likely to be well ahead of last year. In fact at the recent annual meeting Mr. Coverdale, the new president, stated that they should be up to the average of the last five years, which would mean double the preferred dividend, or deducting this payment about 7 per cent. on the common stock. In such event preferred dividends would probably be resumed next January. As the dividend on this issue is cumulative, arrears of dividend up to then should be paid off within a reasonable time. With this favorable prospect Steamships Preferred and Common would seem justified in working up to around 60 and 27 respectively in the near future, while before the year is out they might easily touch 75 and 35 respectively. The floating supply of both stocks at present levels is small, so that it would take very little buying to substantially advance their prices.

INVESTORS' CLOSE RELATION TOWARDS CANADA'S EXPORTS

Returns Show Better Year for Sugar and Milling Companies

From Our Own Correspondent.

MONTREAL.—The returns furnished by the Dominion Bureau of Statistics covering the trade of Canada for the fiscal year ending March 31, 1922, which were distributed this week, furnish an interesting sidelight on the earning capacity of a number of companies in which investors are interested.

For instance, holders of milling stocks, most of whose fiscal years end on August 31 of each year, will note an improvement in exports of flour for the fiscal year just ended. The total number of barrels exported amounted to 7,414,282 which was 6,017,032. The value of this flour of course was less at about $53,000,000 as compared with $66,000,000 the previous year. The benefit of this increase in export business will appear in the reports of the flour companies.

On the other hand, the makers of tires for automobiles did not have as good a year, as their exports amounted to only $2,721,819 where one year ago the total was $8,191,511. The largest customer of all was the United Kingdom which took $1,098,428, but this was a big decrease from the total of one year ago of $3,641,468. Strangely enough the next largest customer was the Argentine Republic at $278,000.

Investors in sugar refineries will be gratified to learn that the total exports for the fiscal year, 1922 amounted to 140,883,112 pounds, over double the total of a year ago which wa 65,706,539. This however, fell short of the 1920 total of 246,000,000 lbs. Owing to the heavy drop in the price of sugar, however, the value of the 1922 exports were only $10,922,000 as compared with $11,837,000 the previous year. This, of course, means that the net profits on the exports even with larger quantities would be little more than the previous year's.

In the case of canning companies, canned and preserved vegetables exported amounted to 4,745,397 lbs. almost the identical amount sent one year ago which was 4,779,000, with a value of $321,635 as against $408,203 the year before. These, however, were not one quarter of the exports for the fiscal year ending March 31, 1920, in which the United Kingdom alone took over 16,000,000 lbs.

Canned fish showed an export about the same as one year ago. In the case of salmon the total was 436,239 cwt. at a value of $6,423,252 as compared with 308,578 cwt. one year before.

Boots and Shoes Sharp Decline

Boots and shoes export business fell off to about one-fifth of the previous year and one twentieth of two years ago, the total being only $272,346 as against $1,441,000 one year ago, and $5,679,000 two years ago.

Canned meats showed a slight increase in quantity, increasing fr 437,239 lbs. in 1921 to 708,321 in 1922, but the latter figure was just one-quarter of two years ago.

The cotton textile industry showed a rather sharp decline in export, the total amount being $900,269 as compared with $2,843,417 one year ago, and $6,148,697 two years ago. The last mentioned amount, of course, included shipments to Roumania and Greece and other countries. For a similar reason the exports of woollen goods showed a very heavy decline.

Bond and Writing Paper

In connection with the export of paper, bond and writing paper showed a decline from $989,068 in 1921 to $84,125, or from 60,558 cwt. The biggest decrease was in the shipment to Australia. Book paper also showed a decline from $779,000 to $201,000.

In the case of newsprint the quantities exported were remarkably close the year 1922 however, being a little ahead of that of 1921 which itself was ahead of 1920.

Total exports were 15,138,327 cwt. as compared to 15,112,586, cwt. in 1921 and 14,272,513 in 1920, or reducing these to tons 756,916 tons for the 1922 fiscal year, as compared with 755,629 for the previous year and 713,625 for 1920. Paper board dropped from $5,267,842 to $2,306,525. Wrapping paper dropped from 323,214 cwt. to 169,491 cwt. In the case of sulphate pulp the quantity increased from 2,354,002 cwt. to 2,377,556, although the value declined owing to the general drop. Bleached sulphate pulp was almost as large as 1,859,501 cwt. compared with 1.901-922 in 1921 and far ahead of the total of 1920.

UNLISTED SECURITIES

	Bid	Asked
Abitibi Gen. M. 6s 1940	86½	90
Algoma Steel 5s 1962	54	....
Alta. Pac Grain com	102	112
Do pref.	85	90
Amer. Salesbook 6s	99	....
Ashdown Hard. 5s 1928	86¼	....
British Amer Assur.	....	4¾
Burns, P., 1st M 6s 1924	100½	....
Can. Marconi Wireless	2⅜	2⅝
Can. Oil com	50	53
Do pref 8 p.c.	88½	92
Can. Westing. 8 p.c.	112	....
Cockshutt Plow 7 p.c. pfd	48	52
Colling. Ship. com.	38	....
Do 6s	91	....
Cuban Can Sugar pref.	18	....
Davies, Wm. 6s	99¾	....
D. Iron & Steel 5s 1939	76	....
Durant Motors	9½	10½
Dunlop Tire pref	....	82½
Do 6s	90	....
Eastern Car 6s	88	92
English Electric com	22	25
Famous Players pref 50% bonus com.	52	....
Goodyear Tire pref	83	86
Great West Life	200	....
Gunns Ltd. pref.	62	66
Harris Abattoir 6s	96	....
Home Bank 7 per cent.	....	100
H. Smith Paper 7s 1941	93	95
xImperial Oil 12%	121	126
Inter. Milling pref	80	85
Do 6s	92½	....
Inter. Petroleum	25	26
King Edward Cons. pref.	70	75
King Edward Hotel 7s	84	86
K. & S. Tire bonds	....	80
L. Superior Paper 6s	95	....
Lambton Golf	390	420
Man. Life 20% paid	38	....
Massey Harris	48	52
Mattagami Pulp debs	33½	....
Murray-Kay pref	55	60
Mex. North Dev. com.	6	7¾
Mt. Royal 8% debs, with 30% bonus	....	97½
Mutual Oil	11½	12½
National Life	41	....
Neilson, Wm. 6s	90	....
Nova Scotia St. 6% debs	78	....
Ontario Pulp 6s	95	....
Robt. Simpson pref	84½	....
Rolph Clark Stone com	18	23½
Rosedale Golf	235	....
Spanish River 8s 1941	100	101½
Sterling Bank	101½	105
Sterling Coal com	18	21¾
Summit Golf	....	80
Toronto Power 5s 1924	94	96
Trust & Guarantee	71	....
Western Assurance	4½	5½
Western Grocers pref.	58¾	....
Western Power 5s	76½	....
Whalen Pulp com.	....	10
Do pref.	29	32
Do 7% debs.	59	....

x—Ex-dividend.

STOCK MOVEMENTS OF THE WEEK

Week Ending June 6

Banks—

Banks—	Div. Rate	Ask	Bid	High	Low	Close	Sales
Commerce	12	185	184	184	183	184	104
Dominion	12	189	188	189	188	189	186
Imperial	12+1	172½	170	172½	170	172½	37
Molsons	12	....	160	160½	160	160	23
Montreal	12	218	216	218½	216	217½	206
Nova Scotia	16	....	259	260	260	260	25
Royal	12	199¾	198	200	198¾	200	75
Standard	14	202	200	201	200	200	2
Toronto	12	178	177½	178	175½	178	76
Union	10	136	135	136	135	136	53
Industrials, Utilities, Etc.—							
Abitibi Pulp and Paper com	..	50½	49¾	52⅜	50⅛	50½	1705
Ames Holden pref.	..	....	8	9	8	9	95
American Salesbook pref.	7	87	85	87	85	87	23
Asbestos Corporation com.	6	56½	56	56	56	56	92
Do pref	7	....	76½	76¾	76¾	76¾	10
Atlantic Sugar com	..	25	24	25¾	24	25	1500
Barcelona Traction	..	6⅝	6½	6¾	6¼	6½	930
Bell Telephone	8	110⅜	110	110½	109¾	110	2126
Brazilian Traction com.	..	48½	48¼	49	47½	48⅜	7423
B. C. Fishing	..	28½	27½	28	28	28	10
British Empire Steel com	..	14	13	15	13	13	2299
Do first preferred	7	77	75	77½	76	76	515
Do second preferred	..	36	35	37½	34	35½	3309
Brompton Pulp com	..	30	29½	31	30	32	1315
Burt, F. N. com.	10	119	117½	118	116	118	40
Canada Bread com.	..	34	33½	34¼	33	33½	405
Canada Car & Foundry com.	..	29	28¾	29	25¼	28½	875
Do pref.	..	....	54½	56¼	54¼	56	495
Canada Cement com	6	69¼	68½	69⅞	67½	69	2523
Do pref.	7	....	93	95	94	94	145
Canada Steamships com	..	22¼	21¾	22½	21¾	22	715
Do pref.	..	52¾	52	53	52	52¾	823
Canadian Converters	7	83	82½	84½	80	84½	430
Canadian Cottons com.	8	94	93¾	98	91	98	732
Do pref.	6	85	83½	85⅝	85	85	55
Canadian Foundries & Forg. com.	..	48	42	42¼	42	42	125
Canadian General Electric	8	80	79	88¾	75	80	3327
Do pref.	7	....	101	101	101	101	22
Canadian Locomotive pref.	7	85	....	85	85	85	20
Canadian Pacific Railway	10	141½	141	144½	140¾	140¾	253
Canadian Salt	8	90	....	90	90	90	43
Can. Woollens, com.	..	26⅛	26	27¼	25	25¾	160
City Dairy com.	10	....	122	125	122	122	137
Do pref.	7	100	99	100	100	100	40
Consumers Gas	10	....	150	151	151	151	137
Detroit United Railway	..	61	60	61	60	61	391
Dominion Bridge	4	....	73¼	74½	73	73¾	80
Dominion Canners com.	..	35	33½	35	38	35	20
Do pref.	7	....	77	78	77	78	56
Dominion Glass com.	6	67	66½	67½	66½	67	305
Do pref.	7	95½	....	95	95	95	5
Dominion Textile com.	12	163	160¼	165	155	165	1525
Do pref.	7	112	....	112	112	112	25
Dominion Iron pref.	7	....	75	77	76¼	77	110
Dominion Steel Corp. com	..	....	....	39	38	38	65
Do pref	6	77	....	77	75¾	77	86
Duluth Superior	..	....	21	21	20	20	220
Ford Motor Car	15	400	390	385½	385½	385½	5
Howard Smith Paper com.	6	....	66	65½	65½	65½	35
Do pref.	8	93	92	93	92	92	50
Illinois Traction com.	..	35	....	34¾	34¾	34¾	25
Do pref.	6	....	77	80¾	79	79	144
Kaministiquia Power	8	....	83½	85	85	85	22
Lake of Woods Milling com.	12	166½	....	167½	164½	167½	132
Laurentide Paper	6	87	86½	87	86	87	380
Lyall Construction	..	41½	....	41	40	40	110
Macdonald A. com	..	....	13	14	14	14	25
Mackay com.	6	96	95¼	96	90	95¾	2568
Maple Leaf Milling com.	12	....	120	130	120	125	102
Do pref.	7	100	99	100	99	100	47
Mackay pref.	4	....	67½	67½	66	67½	86
Montreal Cottons pref.	7	104½	104	104	104	104	100
Montreal Light, Heat com.	5	91¼	90¾	91¼	90¾	91	679
Montreal Telegraph	8	52¼	....	50¼	50	50	37
National Breweries com.	4	56	55½	56½	55	55⅛	1345
Ogilvie Flour com	12	....	240	240	235	240	38
Do pref	7	....	112	115	113	113	37
Ontario Steel Products com.	..	40	....	40	40	40	10
Ottawa L. H. & Power com.	6	87½	86¼	87	87	87	90
Pacific Burt com	2	60	53	55	51	55	132
Penmans com.	8	110	....	114½	111	114½	581
Do pref	6	....	91½	90	90	90	1
Price Brothers	2	43	42⅞	43	42	43	165
Quebec Railway	..	28	27½	28½	24	27½	1483
Riordon Pulp com,	..	12½	11½	12¾	9¾	11¾	1342
Do pref	..	20	....	20	20	20	20
Rogers Wm. com	..	....	40½	42	40½	40½	16
Shawinigan	7	106	105½	106	105¼	105½	175
Sherwin Williams com	6	....	70	71	70	70	200
Do pref.	7	....	93½	94	94	94	5
Spanish River Pulp com	7	....	86	88	85⅜	87	705
Do pref.	7	94	93	95½	93¾	94¼	1256
Steel of Canada com.	7	75½	74½	76	74½	75	1896
Do pref.	7	....	98½	99	99	99	562
St. Lawrence Flour com.	6	83	....	88	80	86	992
Toronto Railway	..	73	72½	74¾	65½	72½	7989
Tuckett Tobacco com.	4	49	47	47½	47	47½	30
Do pref.	7	90	....	90	88	88¾	105
Twin City com.	..	55½	55	56	53½	55	2707
Wabasso Cotton	4	75	74⅞	75	71½	75	513
Wayagamack Pulp	..	52	....	52¼	52	52	10
Winnipeg Electric com.	..	42	41	42	40½	41¼	870
Woods Mfg. com	8	66	63	66	65	66	185
Do pref.	7	....	70	86	86	86	85
Canada Landed	10	....	79	80½	80	80½	14
Can. Permanent	12	....	181	180	180	180	10
National Trust	12	198	197	198	198	198	45

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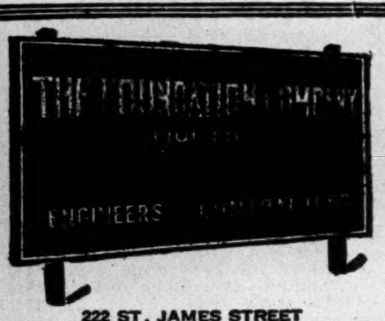

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Mills at
Goderich, Winnipeg, Calgary
Brandon, Edmonton, Victoria
Daily Capacity—Flour, 10,000 barrels, Rolled Oats, 1,000 barrels
MANUFACTURERS OF
PURITY FLOUR PURITY OATS

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Toronto - Montreal - Ottawa

CANADA PERMANENT Mortgage Corporation
Quarterly Dividend

Notice is hereby given that a Dividend of THREE PER CENT for the current quarter, being at the rate of
TWELVE PER CENT. PER ANNUM
on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable
MONDAY, THE THIRD DAY OF JULY
next, to Shareholders of record at the close of business on the Fifteenth day of June.

By order of the Board.
GEORGE H. SMITH,
Assistant General Manager.

Toronto, May 25th, 1922.

OLDER MINES ARE NOW LOOKING FOR NEW PROPERTIES

Many Following Example of Nipissing and Hollinger

KEEP MONEY AT HOME

Reports Indicate That Ventures in American Oil Fields Have Not Turned Out Well

From Our Own Correspondent.

COBALT.—The attention given to new properties in the recent report of the Mining Corporation of Canada, has turned all eyes on the strong efforts being put forth by many of the old mining companies of the north, to secure holdings that will prolong their official life.

In this connection it is interesting to note a somewhat change of heart in regard to the advisibility of such speculation with mine funds as compared with a few years ago.

When the Nipissing and Hollinger each took fliers in the Texas oil game there was some criticism of such a policy as would divert funds derived from Canadian mines to the development of U. S. resources. But this criticism was mild as compared with the row which started when the Bickell interests launched the Temiskaming and McIntyre into the Blue Diamond Coal venture.

Now however they are all at it. Pretty near all the old mines are using profits to speculate on new properties instead of disbursing these profits as dividends. It gives the stockholders another gamble. If the search is successful, a new mine may be the outcome and after a few years new and prolonged dividends may be the result.

Some of the Latest

A list of the newest of these speculations as compiled by a Northern papers follows:

Coniagas working the Newray, Porcupine, under option.

Kerr Lake working the Goldale. It is also in the Porcupine. It might also be mentioned that the Kerr Lake had a property working in Nevada and another in Australia.

Crown Reserve, working on the promising Costello vein system in Larder Lake.

Mining Corporation, Frontier property, South Lorrain. It is also going to do some work in Lightning River.

Beaver, working the Kirkland Lake gold at a profit.

But these are only a small portion of the speculations that are and have been going on.

It would be interesting to know just how many properties the old Hudson Bay has examined and the amount of money which has been spent in speculation. In the Gowganda field alone it is known to have spent a fortune and got some fine silver in return.

The La Rose has done a lot of speculation. In fact it was profits produced by the La Rose which financed the most part of the Hollinger.

Keep Money at Home

The paper in question commenting on this speculation comments as follows:

"Lately, there has been a commendable disposition of Ontario Mining Companies to keep their money in Canada and all new enterprises embarked upon are in Canada, chiefly Northern Ontario. As a matter of fact none of the ventures in oil lands and such made across the line, have turned out very well. All the companies seem to agree that the best chances to find new mines are in the land where their first money was made."

As to operating mines, attention is being focused on the prospect that before the fall, the north may have a couple of more properties producing gold. In this regard both the Porcupine and Kirkland Lake camps are being watched.

The annual report of that "back woods producer, The Argonaut" shows that some high gold values are being secured. The public bubbles with optimism and the figures quoted would tend to support the spirit of optimism. Some twenty veins are known to exist on the property and yet only 10 of the company's 460 acres have been investigated.

CANADIAN FORD COMPANY

Results of Present Year Expected To Show Material Improvement

Two fifteen per cent. cash dividends may be expected by the stockholders of the Ford Motor Company of Canada during 1922, it is predicted in a special despatch to the Wall Street Journal from Detroit. The approach of June 15, the date on which the company last year paid a 15 per cent. cash dividend has led to much speculation as to this year's situation, the despatch declares:

"It is expected that the results for the current fiscal year, ending July 31, will show material improvement over the preceeding year," the Journal continues: "The company has maintained an almost even production of more than 200 cars per day since December, 1921, the greater part of the time turning out 225 a day, while from December, 1920, to December 1921, a production averaged about 150 per day. The increase in the current fiscal year, it is estimated, will bring the total output close to 60,000 cars against 46,832 in the preceding fiscal year."

On the estimated 60,000 production, the paper declares, there should be a net profit of about $4,000,000. "The company has no prescribed dividend policy," says the despatch. "Nothing official has been given out but on the basis of past performance at least two 15 per cent. cash distributions in 1922 are expected."

CUT BRITISH EMPIRE STEEL DOWN $100,000

Corporation Offered To Settle Claim For Plate Mill For $4,600,000

From Our Own Correspondent.

OTTAWA.—An interesting passage occurred in the House in regard to the settlement by the Federal Government with the British Empire Steel Corporation at $4,500,000 for the cancellation of the contract for 250,000 tons of steel plates on the strength of which the company—then the Dominion Steel Corporation—had built a new plate mill, which has not been used since, for any other purpose.

Mr. Lapointe in answer to a question of Mr. Meighen stated that the case had been settled by the extra payment of $1,500,000, "that is $100,000 less than the arrangement agreed to in January or December." This implied that the late government before going out of office had agreed to a settlement for $4,600,000 in all. It developed that the company had made an offer to settle for this amount. Mr. Lapointe added that the Minister of Justice succeeded in obtaining a reduction of $100,000. The first amount of $3,000,000 was paid on Nov. 25 last.

BOOMING BRAZILIAN IN OLD LONDON

Optimistic Forecasts Being Made Regarding Dividend Possibilities

The London Financial Times also appears to think that there are better things ahead for shareholders of Brazilian. A correspondent believes that there is sufficient evidence to show that it cannot be very long before the company will pay 10 per cent. on its ordinary stock. He thinks that ordinary shares at anything like 50 will very shortly be paying 20 per cent. on the invested capital.

"It is quite clear from the company's published accounts that it was in a position to pay 6 per cent. on the ordinary shares in 1920 without in any degree weakening its resources. Why did it not pay any dividend? Because in 1917 it announced a policy of nonpayment of dividend for four years, so that large extensions and developments might be paid for out of revenue instead of by means of fresh capital, and further to provide for the extinction of funded debt $7,500,000 due in November of this year. How far it is justifiable to deprive shareholders of any return upon their investments for a period of years, in order to carry out ambitious schemes of development is questionable, but that the policy has made the company very powerful cannot be doubted.

"It is a curious point, often lost sight of, that the constitution of the company provides that one and one-fifth 6 per cent. cumulative preference shares may at any time be exchanged for one ordinary share. Why do the company regard a non-paying dividend share of more value than a 6 per cent. cumulative preference? The inference is obvious that they have it in their minds to make the ordinary share a 10 per cent. investment, and at the price of 50 one will get 20 per cent. on one's capital."

Discussing the possibilities for a resumption of the dividend on Brazilian Traction, McCuaig Bros. & Co. say:

It is generally expected in well informed quarters that dividends at the rate of 4 per cent. will be resumed not later than the September quarter and that the announcement will be made in June. The company is reported to have ample money for this purpose in the treasury and with the great improvement in the bond market the necessity of financing out of earnings has disappeared. In fact, it is currently rumored that $10,000,000 of bonds will be sold shortly in New York to refund the $7,500,000 of short date falling due in November and to provide for necessary capital expenditures. Even with the milreis at 14c. the company is earning close to 6 per cent. on the stock while if Brazilian exchange recovers to 21c. which is 11c. below its pre-war normal, net earnings would be increased fifty per cent. and the whole of this increase would be applicable to the common stock, which therefore, offers great speculative possibilities. On this account on a 4 per cent. basis it should sell between 55 and 60.

MAY COPPER OUTPUT

Output of United States and South American mines selling in the New York market, for May, is estimated at 105,000,000 pounds. Shipments of copper for May are estimated at 130,000,000 pounds, of which approximately 50,000,000 pounds were for export.

The coal strike in Montana and Wyoming mines has helped copper companies west of the Rockies greatly in recruiting experienced miners for work underground.

Commercial Insurance

Many business men, at this time, are realizing that Life Insurance may be just as valuable a protection for their business interests as for their homes.

The Great West Life is issuing many Assurances of this type—upon most attractive terms.

Explanatory pamphlets will be mailed on request.

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COAL

TELEPHONE
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To the Holders of the Seven Per Cent. Twenty Year First Mortgage Sinking Fund Gold Coupon Bonds of

AMES HOLDEN TIRE COMPANY LIMITED

Due 1st July, 1939

AMES HOLDEN McCREADY LIMITED has defaulted in the payment of the interest on its First Mortgage Gold Coupon Bonds which became due on the 1st of April, 1922, and has announced that some general scheme of reorganization is necessary in order to provide additional working capital to enable it to continue in operation.

Ames Holden McCready Limited is largely interested in the Ames Holden Tire Company Limited, which has been operated as a subsidiary of the parent Company. The principal and interest of the Bonds of Ames Holden Tire Company Limited are guaranteed by the parent Company. The Tire Company has brought forward a substantial profit for the year ending December 31st last, but its current liabilities are in excess of its current assets. Protective Committees have been formed to represent the different classes of bondholders of each of the Companies interested. The ordinary creditors of each Company will also be represented by Committees.

Although the bonds of the Ames Holden Tire Company are not in default your Company and the parent Company are so closely allied that questions may arise affecting your interests which would make it desirable that some concerted action should be taken by the bondholders of the Tire Company. For this purpose a Bondholders Protective Committee has been organized with the following members.

A. J. NESBITT,
of Nesbitt, Thomson & Co., Limited, Montreal.
GEO. S. BURDEN, of Creak, Cushing & Hodgson.
RUSSELL D. BELL, of Greenshields & Co., Montreal.

This Committee is organized for the sole purpose of protecting the interests of the First Mortgage Bonds deposited under its control. It is earnestly recommended that you deposit your bonds with this Committee by sending them in at once with the July 1st, 1922, and all subsequent coupons attached, to The Eastern Trust Company at its office in Montreal, Depositary under the agreement.

Registered bonds must be accompanied by instruments of transfer executed in blank. Transferable certificates of deposit will in every case be issued against the deposit of bonds. Bonds will be received for deposit up to and including the 20th of June, 1922.

Copies of the Bondholders Protective Committee Deposit Agreement under the terms and conditions of which the Twenty-Year First Mortgage Gold Bonds of Ames Holden Tire Company, Limited, will be deposited have been lodged with the Depositary, and one or more copies of the same will be delivered to any holder on demand.

Montreal, April 27th, 1922.
On behalf of the Committee.
STANLEY MacPHERSON,
Secretary.

Secretary's Address:
804 Bank of Toronto Building,
St. James Street, Montreal.

CAN. CONVERTERS BEGINS NEW YEAR FOUR FOLD ORDERS

Company's Earnings for Past Year $201,938, Making 8.4%

WORKING CAPITAL UP

Stands at Over $1,00,000 Now—New Collar Good for Profits—No Bank Indebtedness

From Our Own Correspondent.

MONTREAL.—The annual statement of Canadian Converters for the year ended April 30, 1922, runs true to form with that of other leading textile industrials: profits somewhat curtailed but financial standing strong, and the outlook for business greatly improved over the similar period of one year ago. Indeed THE FINANCIAL POST understands that orders on hand, in both men's and women's lines, are four times those of last year at this time. Inventories are in good shape, and for the third year in succession the company ended its fiscal year without any indebtedness to the banks.

One of the new features of the company's production that is quite promising is the right to manufacture exclusively in Canada the "Van Heusen" collar, which has had a very successful sale in the United Sates. The company has had the product out for only a short time but orders are on hand for months ahead, and arrangements are being made to more than double the present production. This new line, it is confidently expected, will add largely to the earnings of the company during the present year. These are not of course, reflected in the report just issued. It is estimated that the royalties paid the "inventor" of the collar in the United States amount to $4,000 a day.

Stock Earned 8.4 Per Cent

The profits for the year amounted to $201,938, compared with $327,456 one year ago. After interest, depreciation and other deductions, there was available for dividends on the stock $121,345, or 8.4 per cent. on the amount outstanding, $1,733,500. One year ago there was earned on the common 9.8 per cent., and the previous year, 12.8 per cent., as compared with 7 per cent. dividend the past two years and one of six per cent. two years ago. No provision is made for the Government tax but a liberal one was made during both of the preceding years, and this account is carried in the form of bills payable in the balance sheet. The profits and loss items for the past three years compare thus:

Profit and Loss Account

	1921-22	1920-21	1919-20
Profits	$201,938	$327,456	$329,822
Bond int. ..	23,940	23,940	23,940
Depreciation .	32,000	57,000	32,000
Tax, etc. .. .	......	75,000	51,887
Net earnings	$145,998	$171,516	$221,995
Dividends . .	121,345	121,344	95,342
Surplus . . .	$ 24,653	$ 50,172	$126,653
Prev. sur. ..	620,704	570,532	443,879
Total P. & L.	$645,358	$620,704	$570,532

The balance sheet, relatively far more important than the profit and loss statement these days, shows that the "investment" item was increased during the year from $221,357 to $416,033, a gain of nearly $200,000. This does not represent, as often, an investment in a subsidiary company, but the most of it consists of Victory bonds, and the rest of other high grade bonds. On this account this liquid asset is included below in the list of current assets although the company, in its conservative treatment, leaves it as an ordinary asset. The company's relation to the trade insofar as the credit it carries, is indicated in the reduction of "accounts receivable" from over $532,000 to $289,000, reducing greatly the risk of "bad debts." As has noted there is no banking indebtedness, while the depreciation account has been increased, and the surplus is up $24,000. The net margin of current assets over current liabilities is $1,136,526 as against $1,092,977 one year ago, the assets being eight times the liabilities. The various items for the past two years under both headings compare thus:

Working Capital Account

CURRENT ASSETS—	1922	1921
Investments	416,033	221,357
Inventories	499,069	343,624
Accs. rec.	289,888	532,022
Cash..	31,243	28,806
Bills rec.	68,246	70,668
	1,304,477	1,196,479
CURRENT LIAB.—		
Acc. pay.	113,106	52,808
Int. Acr.	9,975	9,975
Div. pay.	30,336	30,336
Wage acr.	14,533	10,383
	167,951	103,502
Bal. work. cap.	$1,136,526	$1,092,977

Massachusetts State Board of Arbitration advised 15 per cent. temporary wage cut in shoe industry in Lynn district and asked manufacturers to reopen shops, following which United Shoe Workers of America decided to return to work.

VIRGIN ISLANDS TARIFF

In the new tariff of the Virgin Islands in the British West Indies, provision is made for a preferential rate of duty on goods of British origin, in accordance with the Canada-West Indies Trade Agreement. Most goods not on the free list are liable to a duty of 12 per cent. ad valorem, with a preferential rate of 8 per cent. ad valorem on British goods.

MATTAGAMI STILL OPERATES AT LOSS

As Result of Continued Influx of Scandinavian Pulp, Cutting Prices

From Our Own Correspondent.

MONTREAL.—The property of the Mattagami Pulp & Paper Company is still being operated by the official receiver, G. T. Clarkson. The plant has been operating at 50 to 60 per cent. of capacity but the prices realized on the sale of the company's product, that is easy bleaching sulphite, it is understood, have been disappointing. Owing to foreign competition during a number of months past, which was rendered serious as a result of forced liquidation of foreign stocks of this pulp and other grades, the market price for easy bleaching pulp has been very low and often below the cost of manufacture. The demand for this, however, has improved recently, and when the supply of "distress" pulp is out of the way it is expected the market will respond and enable it to be produced at a fair profit. The cost of operations in the company's plant has been reduced considerably and the organization has been improved. It is expected that the operation of the company's mills must continue under the supervision of the receiver for some months to come. When there is an improvement in the market and the inventories have been well liquidated and replaced at lower costs it is expected that plans will be made to re-finance the company's business. Most of the holders of bonds and debentures have handed over their securities to protective committees who are working together in their interest.

PACIFIC-BURT CO's. PROFITS $115,446

Company's Sales Position Maintained, Net Working Capital Grows

The annual report of the Pacific Burt Company for the year ending March 31, 1922, and which will be presented to the shareholders at the eleventh annual meeting of the company on June 16, shows profits for the year of $115,446. This compares with $149,379 last year. This company operates in the State of California, and its business is largely confined to the Pacific Coast district where the depression during the past year has not been so severe as in other parts of the country. The amount of goods manufactured and shipped was only 15 per cent. less than the record volume of the previous year, while the net profit, after deducting writings off inventories, was practically the same.

As will be seen from the following comparative figures, there has been little change in distributing the available funds, although the allowance for real estate is higher, the amount written off the inventory is considerably less.

	1922	1921
Balance forward	$54,527	$53,889
Less Federal taxes ..	3,821	......
	$50,705	$53,889
Profits for year	$115,446	$149,397
	$166.152	$203,286
Plant reserve	33,719	32,300
Written off patents..	12,552	12,552
Written off inventory	7,505	37,407
Reserve..	......	8,000
Pref. dividends	45,500	45,500
Common dividend	13,000	13,000
Balance forward	$54,075	$54,075

The balance sheet shows assets amounting to $1,683,128, as against $1,794,255. Investments in other companies stand at $151.595, compared with $66,539. In the statement for the present year advances by allied companies totalling $146,500 are deducted from the total of investment. Merchandise is valued at $159,405, as against $259,677. Accounts and bills receivable are higher at $184,384, compared with $150,101, and cash on hand at $23,813, as against $15,838. Accounts and bills payable at $155,228, compare with $290,760, or deducting the advances is reduced to $235,596. Reality and plant reserves at $162,450, compares $129,955.

"This company has passed through the period of re-adjustment with comparatively little disturbance to its volume of business and earning power," states President S. J. Moore, in the annual report. "The increase in investments in other companies during the year is the result of the taking over of the balance of the common stock of the Pacific Coast Sales Book Company, in accordance with by-law number seven, approved by the shareholders. The incoming business continues in a very satisfactory volume."

PROGRESS MADE IN MEETING PROBLEMS OF RIORDON CO.

Bank and Other Loans Paid Off of Over $1,400,000

From Our Own Correspondent.

MONTREAL.—Developments of a favorable nature have occurred in the Riordon Co., situation, and although the final outcome must be considered as uncertain, it is possible at least to report a considerable measure of progress in the working out of the company's affairs.

It is learned, for instance, that money has been secured for meeting an obligation in connection with the purchase of the Gatineau property, and that the equity in this, which is estimated to be worth around $5,000,000 at least, is now considered conserved for the company permanently. Both the Kipawa and the Hawkesbury mills are operating to capacity, and have orders on hand to enable them to continue up to the end of June. The company is receiving $90 a ton for its highest grade bleached sulphite pulp, and $80 a ton for book quality pulp. Since the Kipawa Mill was re-opened on November 1, 1921, bank loans and prior lien charges have been reduced over $1,400,000, through the proceeds of the sale of pulp on hand or since then manufactured by the mills.

Several groups of limits have been sold, all but one of these outside the Gatineau River. The company still owns over 6,500 miles of limit of which 5,700 are located on the Gatineau River, and in addition has four saw mills with an annual capacity of over 90,000,000 feet b. m., and also the Chelsea power on the Gatineau River.

The credit for putting backbone into the affairs of the company is given freely to I. W. Killam, who has been the managing director for many months past, and to the company of which he is president, Royal Securities Corporation, which has advanced several hundred thousands of dollars to provide working capital for the company, enabling it to carry on operations. These have resulted in the manufacture of large quantities of pulpwood into sulphite pulp and the exchanging this for money, which in turn has greatly decreased the liabilities of the company. Co-operating with this firm have been the Boston bond dealers.

It is expected that a definite plan for re-financing the company, which will require a large sum of money for its fall and winter operations, will be prepared between now and the latter part of July. The bases of these plans will depend on the degree of success met with in operating the company's business between now and that time, and also on conditions prevailing in the pulp business at the time this plan is ready for carrying into effect.

B. E. STEEL CORPORATION

Completes Agreement With Newfoundland Government

In return for a nominal royalty of 25 cents per long ton on all iron ore mined, the British Empire Steel Corporation has undertaken to construct in Newfoundland before 1928, a plant capable of producing 100,000 tons of iron or pig iron annually according to an agreement between the corporation and the Newfoundland Government, just completed.

The corporation further undertakes to erect coke ovens and to expend $3,000,000 in Newfoundland before 1926. All materials used in the construction of these plants are to be admitted to the island duty free. The companies, Dominion and Scotia, are also granted certain rights such as tax exemptions and water power rights. The 25 per cent. royalty is to continue in force until December, 1940. However, should the companies fail to carry out the construction program agreed upon, or should they fail to expend $3,000,000 in Newfoundland before 1926, an export tax of $1 per ton will be imposed by the Newfoundland Government upon all ore mined and shipped to any part of the world except Nova Scotia.

ASK FOR RECEIVERSHIP

Acting in the capacity of a trustee, the Trusts and Guarantee Company of Toronto, has issued a writ asking to be appointed as receiver and manager of the Ontario Smelters and Refiners, Limited. This action is taken under the provision of a mortgage securing an issue of bonds of $250,000 under the date of January 29, 1920. The last interest coupons are unpaid and the smelting company admits insolvency.

Owing to this default, the trust company is providing for the protection of bondholders. The plant of the Ontario Smelters and Refiners is located at Welland, Ontario. Plans for the future will not be decided upon until an appraisal has been made of the present position and prospects.

OLD CHUM
VIRGINIA FLAKE CUT
SMOKING TOBACCO
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OLD CHUM
Canada's Favorite Pipe Tobacco
The Tobacco of Quality
In tins and packets

$100,000
CANADA STEAMSHIP LINES LIMITED
5% FIRST MORTGAGE DEBENTURE STOCK
(Interchangeable for First Mortgage Bonds)
Dated August 15th, 1913; Due August 15th, 1943.
Principal payable at maturity at 105.
Semi-annual interest payable August and February 15th at Montreal, Toronto and London, England. Denominations: $1,000, $500 and $100.
Transfer Agent: Prudential Trust Company, Limited, Montreal.
SECURITY AND SINKING FUND.
The Debenture Stock is secured by a First Mortgage and specific charge on the freehold and leasehold lands, buildings and steamships and on shares now or hereafter held in other companies also as a floating charge on the property, assets and undertaking. The trust deed provides for a cumulative sinking fund of 1½% per annum to be applied to the purchase of Debenture Stock under 105 or to be invested as prescribed by the trust deeds.
EARNINGS.
Average annual net earnings covering a five-year period from 1916 to 1921 inclusive, including two years of acute industrial depression, average over three and a half times interest charges.
The drastic re-organization to which the Company has been subjected financially, and in regard to management, makes the First Mortgage Bonds highly attractive to the Investor looking for security combined with a high income return and assured future appreciation in value.
Price; 77 and Interest, Yielding about 7½%
Special Circular Mailed Upon Request
Sterling Bond Corporation, Limited
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Making "Mile-ionaires"
THESE are great days for the motor car user—in a tire sense. Your dollar never before bought as much. Your speedometer never before registered as much. Your repair kit never was as idle. All because Dunlop Cord Tires came and ushered in a new era. Five years ago you paid half as much again for the same size tire; ten years ago you paid twice as much. Prices have been tumbling. Quality has been mounting. One time we thought 3,500 was mileage to boast of; to-day we may run into half a dozen "25,000 milers" in a forenoon. "Dunlop did it," says one enthusiast. "The 'Two Hands' are making us Mile-ionaires," says another; and so on.
The sign "Mileage Wanted" is now changed to "Mileage Supplied."
Use Dunlop Cord Tires With Dunlop Tubes
Dunlop Tire & Rubber Goods Company, Limited
Head Office and Factories: Toronto
Branches in the Leading Cities.
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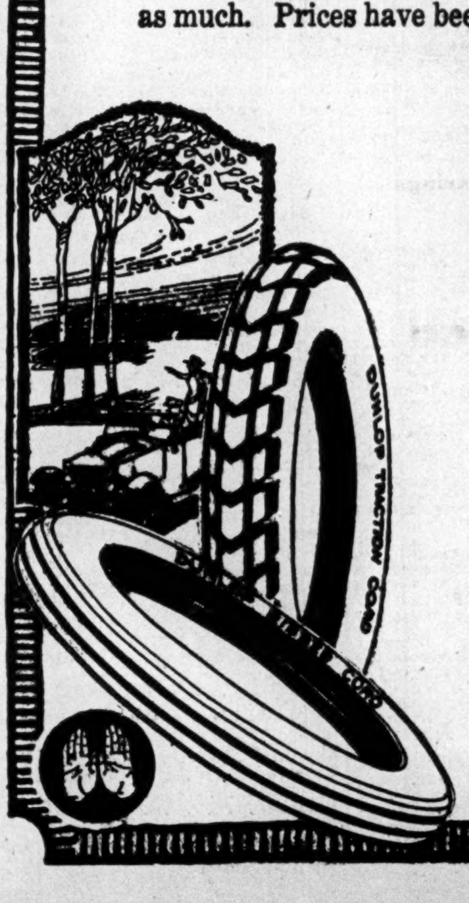

MONEY, BANKING AND EXCHANGE

BIG QUESTION IS WHETHER LOANS CAN BE COLLECTED

Getting Deposits is Only One Phase of Manitoba Bank

From Our Own Correspondent.

WINNIPEG.—In the announcement from E. A. Weir, chairman of the Board of Trustees, that the Provincial Savings Offices, for the June interest date paid 10,000 depositors $70,000, stress is laid on the fact that the Manitoba Government allows 4 per cent. interest. Mr. Weir is quoted in the Manitoba Free Press as saying that the present indications are that the 4 per cent. interest rate will be "maintained." According to Mr. Weir, after eighteen months' operation the Provincial Savings Bank has funds sufficient to repay all advances made by the Manitoba Government and a small surplus together with furnishings amounting to $7,000.

"The office at the end of May had not cost the people of Manitoba one dollar," according to Mr. Weir. The director of the government's banking experiment presumably takes no responsibility for the funds loaned by the bank to the government and which the government in turn loans under its rural credit programme. Apparently he leaves the question of the liquidity of these loans "up to" the Provincial Government.

Losses Not Shown

The official announcement shows that practically $4,000,000 is now on deposit in the provincial bank. The sum of $3,200,000 was advanced to the government for rural credit loans during the fiscal year ended November 30, 1921, and as debate in the Manitoba legislature during the last session developed the admission that the rural credits were not self-sustaining it becomes immediately clear that losses while not actually shown by the Provincial Bank are undeniably to be charged against the banking experiment.

The Provincial Minister of Finance cannot get far away from the question of the quality of the security behind the loans and their liquidity. In short is the "paper" held by the rural credit department which secures the funds of the Provincial Bank "good" in the ordinary banking sense of the term? Basing their assumption upon their own business experiences, western chartered banks continue sceptical, and no amount of general congratulation it is felt by business men should be allowed to obscure the facts of the situation.

According to the Manitoba Free Press, "Mr. Weir said he was much pleased with the fact that the Provincial Savings Bank was able after less than two years' operation to repay the advance of $39,393.88 made to the bank by the government to start operations. Of that amount $5,849.04 was paid for furnishings. The bank has repaid the province $20,000 and the end of the first six months' operations for the second year has provided the bank with sufficient surplus to repay the remainder of the money owing the province and at the same time leave a substantial balance, Mr. Weir said." No mention is made of the Provincial Bank paying any measure of taxes as do the chartered banks.

Loans For Farmers

Synchronizing with the Provincial Bank announcement is the Provincial Finance Minister's statement that the province has disposed of a $1,000,000 three year five per cent. issue to "aid" farmers. This issue is chiefly to meet a $465,000 banking overdraft, for the Manitoba Farm Loans Association incurred by the advance of farm credit. In April it was announced here that the Farm Loans Board would float a $500,000 issue over the counter. Hon. Edward Brown now states that this was rendered impossible owing to the political upset.

The $1,000,000 secured through the new issue will also provide for $430,000 farmer applications already "approved" by the Farm Loans Board. The Finance Minister announces that this will be the last bond issue until after the election as no further loans to farmers will be authorized.

The pending election is not likely to jeopardize the Farm Loans Board and its operations, based on long term bond issues, is likely to continue as a farm financing factor in Mantoba.

TORONTO

T. E. Fletcher, manager of the Waterfor branch of the Bank of Toronto, has been transferred to the head office of the bank.

MONTREAL

G. C. Chubb, manager of the Cainsville, Ont., branch of the Bank of Montreal, has been appointed manager of the East London, Ont., branch.

F. C. Stone, formerly manager of the Merchants Bank at St. Marys, has been appointed manager of the Bank of Montreal at Little Current, Manitoulin Island.

BANK OF TORONTO

J. R. Lamb Becomes General Manager Succeeding T. F. How

After forty-six years of active service, Thomas F. How, general manager of the Bank of Toronto has handed in his resignation to take effect on the first of July. The bank will, however, still enjoy Mr. How's abilities and mature judgment as he was recently appointed a member of the directorate.

The following official announcement on the subject was issued by the Bank of Toronto this week:

> The directors have received his decision to retire with great regret, but are glad to announce that Mr. How will continue his connection with the bank as a member of the Board, so that his knowledge and experience will be available in that capacity. He will be succeeded by Mr. John R. Lamb, now assistant general manager and previously superintendent of the Western Division at Winnipeg, while Mr. Henwood, manager of the Montreal branch, comes to Toronto as assistant general manager.

STERLING RATES IN BEST POSITION SINCE JULY 1919

British Government Has Completed Purchase of Dollars for Interest

The outstanding incident of the exchange markets during the past week was the sharp advance made by sterling, while other rates barely held their own. The rate moved up from $4.45 to above $4.50 and the latter figure is higher than any reached since July 14, 1919, less than four months after the decline had begun from war time "pegged" rate of $4.75. A prominent local banker stated that since sterling has been hovering in the neighborhood of $4.45 for the past month, rising repeatedly within a small fraction of that figure, after each reaction, it is reasonable to suppose that some supply of exchange bills was in the interval being "fed-out" at a predetermined price, but that such pressure was withdrawn this week.

When the rate was at $4.48, it was announced by London cables that the British Government had completed arrangements for the payment of interest and arrears on its debit to the United States Treasury. This evidently means that it was the British Exchequer which for the past month has been selling drafts on London whenever the sterling rate got close to $4.45, if all or the greater part of the $1,000,000,000, sum which is necessary for the interest payment has been thus transferred through the sale of exchange in the last few months. When the Chancellor of the Exchequer announced in March 1920 that the Anglo-French loan would be paid off in October, sterling rose in two days from $3.46 to $3.69. When he announced a month afterward that most of the payment had already been provided for, it went to $4.45¾. There is not the same "bear" interest as in 1920, but the pressure on the market is equally removed and the achievement in credit operations is repeated.

Canadian Funds

There has been practically no change in New York funds during the past week and only fractional day-to-day differences occurred. No doubt the sharp strength in sterling tended to depress the rate. Canadian dollars advanced to a new high of 99.19 on one day during the week.

NEW YORK FUNDS

June 1—Funds were comparatively stable, high of 31-32 to low of 15-16.

June 2—Opened unchanged, closed at 29.32.

June 5—Opened at ⅞, settled at close to 27-32.

June 6—Eased off to 13-16, closing at ⅞.

STERLING AND FRANCS
(In comparison with same week last year)

	Demand.	Cables.	Demand.	Cables.
June 1	$4.46	$4.46¾	10.98	11.00
June 2	4.47½	4.48¼	10.97	10.99
June 3	4.48⅛	4.48⅞		
June 5	4.50	4.50¾		
June 6	4.49¾	4.50½	10.96	10.98

Weekly Bank Clearings

EASTERN CITIES

	June 1, 1922.	Change	%
Toronto	$109,847,524	+$ 6,101,300	5.8
Montreal	101,394,355	— 17,908,007	15.0
Ottawa	6,948,440	— 898,984	11.4
Hamilton	5,471,322	— 1,687,394	23.5
Quebec	4,749,285	— 1,407,532	22.8
London	3,357,000	— 231,549	6.4
Halifax	3,166,507	— 619,754	16.3
St. John	3,079,185	+ 305,672	11.0
Windsor	3,021,594	— 246,288	7.5
Moncton	1,472,411	+ 358,685	32.2
Sherbrooke	1,063,051	+ 9,350	.8
Brantford	998,528	— 400,030	28.6
Kitchener	977,197	— 43,372	4.2
Porcupine Tisdale	1¾	—	1,000
Kingston	594,745	— 126,905	17.6
Total East	$246,915,355	—$16,900,224	6.4

WESTERN CITIES

	June 1. 1922	Change	%
Winnipeg	$ 46,391,998	—$ 6,930,622	12.9
Vancouver	12,515,906	— 575,758	4.4
Edmonton	5,360,388	+ 791,331	17.3
Calgary	4,877,144	— 2,625,368	84.9
Regina	2,905,335	— 672,293	18.7
Victoria	2,310,327	— 16,572	.7
Saskatoon	1,554,914	— 95,766	5.8
Moose Jaw	1,082,566	— 163,733	13.6
Ft. William	656,008	— 159,480	19.5
N. Westminster	633,604	— 33,266	4.9
Brandon	548,818	— 176,790	24.3
Lethbridge	469,500	— 252,712	35.0
Medicine Hat	283,649	— 146,904	34.1
Total West	$ 79,540,157	—$11,057,933	11.1
Grand Total	$326,455,512	—$27,958,157	7.8
Prince Albert	322,808		
Yr. to date	$5,395,386,535	—$514,451,376	8.8

BANQUE NATIONALE REDUCES FEDERAL DEBT BY $9,000,000

Annual Report Shows Evidences of Firm Foundation Reached

From Our Own Correspondent.

MONTREAL.—Report of La Banque Nationale for the fiscal year ended April 30, 1922, bears many evidences of a courageous and successful effort by the reorganized management and Board of Directors to strengthen those defences that had been somewhat weakened by incidents that have been associated with the general process of deflation throughout the country. The addition to the new Board of some of the leading business and financial men of the City of Quebec, and the choice as general manager of one of the ablest of the younger banking men in that City, was the intimation given the public that every effort would be put forth to build up a spirit of confidence in the institution, and start it once more on a vigorous lease of life. Each month since that time has added to the favorable impression that was created by the very nature of the reorganization and the annual statement presents the affairs of the Bank on a solid foundation.

One of the most favorable features of the history of the past few months has been the reduction of indebtedness to the Dominion Government of no less a sum than $9,000,000, the difference between the present indebtedness and the amount at the peak. Current loans have been reduced by a little over $4,000,000, the bank still doing its share in aid of commercial activity.

Big Cut In Call Loans

It is in the reduction of call loans that special drastic steps have been taken, these being reduced from $8,211,000 one year ago to the comparatively small amount of $280,000 in the present statement. Government securities have also been disposed of so that a small amount now remains. A reflection of some commercial loan shrinkages is seen in the reduction of the Reserve from $2,400,000 to $400,000, while the capital itself shows a slight increase in amount of $5,880. The deposits of the bank have held up remarkably well. The whole statement is eloquent of a determination to get down to a "rock bottom" basis that will be appreciated by the shareholders and the bank's clients as well.

The profit and loss account shows up well, with net profits amounting to over $401,000 as compared with $544,000 one year ago. Out of these dividends of $210,000 were paid, and depreciation reserve of $150,000, the latter $50,000 more than that of one year before. There remained a surplus on the year's account of nearly $22,000, which was added to a surplus carried forward of $35,456, bringing the total to $57,379.

Profit and Loss Account

	1922	1921
Profits for year.	401,922	544,945
Bal. at prof & loss.	35,456	74,219
Total	$437,379	$619,165
Disposed of thus:		
Dividends	$210,000	$240,000
Deprec. sec & cont..	150,000	100,000
Reserve fund	....	100,000
Deprec. of prem.	....	40,000
Deprec. of fixtures	....	25,000
Rebate int. on disc..	....	20,000
Pension fund	....	20,000
Taxes for Dom. Govt.	20,000	26,708
xSubscriptions	....	12,000
Profit and loss bal..	57,379	35,456

x—To Laval University and Ste. Anne de la Pocatiere.

Below apepars the special analysis of The FINANCIAL POST:

Immediately Available Liquid Assets

	1922	1921
Specie	486,756	438,241
Dominion notes	2,557,815	5,183,510
Note circulation	100,000	100,000
Notes other banks.	378,391	702,945
Bal. due by other bks	2,783	1,439
Bank bal. abroad	934,529	583,516
Govt. securities	16,194	4,965,441
Cheques	2,151,850	2,497,869
Gold reserve dep.	2,900,000	4,200,000
	9,528,322	18,672,963
P.C. of total assets	17.5	24.9
P.C. of liab to public	18.5	26.5

Other Assets

	1922	1921
Public securities	6,756,167	7,507,952
Other securities	779,878	889,173
Call loans in Can..	280,872	8,211,884
Current loans	32,768,617	37,078,482
Overdue debts	570,805	27,925
Real estate	615,746	327,131
Mortgages	390,447	384,876
Bank premises	2,103,639	1,793,649
Other assets	295,382	158,913
	$44,561,557	56,379,988
Total assets	54,089,879	75,052,951

Liabilities to the Public

	1922	1921
Circulation	4,514,280	6,023,475
Due Dom. Govt.	5,727,901	6,649,813
Dom. deposit	6,308,464	8,191,390
Savings	34,187,648	42,088,210
Due banks	1	487
Due elsewhere	634,745	214,872
Bills payable	400,000	450,000
Other liabilities	130,354	49,916
Total	$51,595,032	70,556,235

Liabilities to the Shareholders

	1922	1921
Capital	2,005,880	2,000,000
Reserve	400,000	2,400,000
Dividends	31,587	61,260
Balance	57,379	35,456
	2,494,847	4,496,716

Growth and Expansion of Canada Steamship Lines

W. H. Coverdale, President, at Annual Meeting of Shareholders, Reviews Developments of Undertakings of Company Since Consolidation Was Formed in 1914.

At the annual meeting of Canada Steamship Lines, Limited, W. H. Coverdale, President, submitted to shareholders a survey of the operations of the company since the present consolidation was effected early in 1914. In his review Mr. Coverdale said:—

"Canada Steamship Lines, Limited, was formed by a consolidation of several constituent Companies, late in the year 1913 and early in 1914. The method adopted at the consolidation at that time necessitated the preparation of a balance sheet with which you, as stockholders, are familiar.

"That balance sheet contained an item of goodwill, discount, and other intangible assets, which aggregated between eight and nine millions of dollars.

"I would call your particular attention to the fact, gentlemen, that the officers and directors of this Company, since its very conception, having been working under disadvantages owing to the financial set up which was made at the time by the incorporation or organization, or consolidation, of this Company, and with which very few, if any, of the present officers and directors had anything whatever to do.

"You need have no doubt in your minds that the credit position of the Company at the date of its consolidation was bad rather than good, by reason of the fact that this large item of eight million dollars was required as a set-up on the asset side to offset the shares which were issued at that date.

"It is also necessary to say that there has been practically no change in the fixed capital liabilities, so that no comment can be directed against the officers and directors of this Company in any way for the situation which was presented to these gentlemen at the time of this consolidation.

"Within one year from the date of such consolidation, this Company found itself in a very poor credit position indeed. The war broke out in the middle of its first year of consolidated operation, causing a very large curtailment of revenue, and consequently an increasing ratio of operating expense.

"If any of you gentlemen present are connected with any other transportation systems, either by rail or by water, either in Canada or in the United States, I feel sure that you will appreciate the situation which was brought about by the war and by governmental regulation.

"I think it is safe to say that few, if any, transportation companies, have made very much progress, in the way of their financial affairs or their credit position, during the entire life of Canada Steamship Lines, Limited.

"Be that as it may, this Corporation itself, during the year 1914, suffered a loss—a serious loss—due to its operations, and found itself in a position which required the borrowing of money early in 1915.

"This situation was due not only to the war, and to the conditions arising therefrom, owing to the poor financial position produced by the consolidation itself, but it was due in large part also to the failure to carry through the consolidation plan as had been agreed upon.

"In other words, capital finances were required to fulfil the obligations entered into, such as the purchase of other properties and of securities, in 1913 and 1914. That money could not be secured in time to carry out these obligations, and so had to be obtained by borrowing.

"That borrowing was made under very disadvantageous terms as to interest, security and various restrictions which were imposed upon the Company at that time.

"A stockholder asked the question this morning as to whether any restrictions have been placed upon the sale of these Bonds, now about to be issued or on the future operations of the Company, and the answer was 'No,' and if he had pushed his question further he would have found that many restrictions were placed on the directors at that previous time in order to insure the safety of the stockholders.

"Notwithstanding these discouraging features which marked the early life of Canada Steamship Lines, Limited, this Company has made through its transportations operations a substantial earning of large sums of money, and has since the period referred to above, and down to the year 1921, closed each year with a satisfactory net income.

Earning Power of Company, Etc.

"It may not be inappropriate to say that in the total period of this Company's life, namely, eight years, to the 31st of December, 1921, this Company has earned upwards of twenty-three millions of dollars.

"This Company, in the conduct of its business, and in the payment of its wages, materials and supplies, and in the setting up of a very adequate depreciation reserve, (the largest ratio set up by any transportation Company in this part of the country), and after the payment of the dividends on its preferred shares during the whole of this period, and dividends on its ordinary shares at certain intervals, had left for corporate purposes, other than interest and dividends, the sum of $3,744,000, and had put cash into its treasury as a depreciation reserve for property as it became adolescent or worn out, the further sum of $7,454,000.00; or a total from these two sources of $11,198,000.00.

"The Company added also to its cash assets by incurring additional liabilities for the purpose of raising additional funds. It sold certain fixed assets at a large profit, and it increased its current liabilities to an aggregate amount over four millions.

"It issued collateral bonds which you authorized at a preceding meeting to the extent of $2,543,000.00 and in these ways raised $11,828,000.00, making total funds available for distribution for various purposes the sum of $23,026,000.

"It is only fair to you, (and I speak as a person coming into this situation at a much later date, or at the very end of the period under review),—it is only fair to say that we are covering now a new period when, owing to the very extraordinary circumstances of the war, and the conditions surrounding the war, and more particularly in regard to the conditions surrounding vessels, that a very enhanced opportunity existed, during several of the years under review, for the purchase and sale of capital assets.

"That is a period which I am sure we all hope will not recur, and it would be futile to anticipate a recurrence of it.

"In the expenditure of this sum of money, gentlemen, this Company purchased certain assets and certain securities of other Companies, some of which have resulted to its great advantage, and some of which have resulted to its great loss. It is very easy to criticize large transactions, when they are two or three years old, in the view of subsequent events.

Features of Expansion

"But, be that as it may, we purchased and acquired the St. Lawrence and Chicago Steam Navigation Company, at a cost of $2,002,000.00. That Company has paid for itself, and it has been a very successful purchase and brought in a large net income to this Company.

"The Montreal Transportation Company was purchased at a total cost of $3,338,000.00; that was a rival Company. It was bought at a time when prices had just about reached their maximum. It was purchased on a seven per cent. basis, and it has paid its own way and no more.

"So far as the Montreal Transportation Company is concerned, after the fullest investigation, no adverse comment can be directed against the Directors of the Company, based on either assets or income, at the price for which the Montreal Transportation Company was taken over.

"Please bear in mind that the whole purpose of the remarks which I am endeavoring to place before you, is whether or not substantial value was received for the expenditure of these amounts of money.

"I come now to a transaction which has been commented upon from various sources, and as to which we cannot refer in quite the same terms.

"This Company through the Tidewater Shipbuilders Limited, two or three years ago had an account against the Davie Shipbuilding & Repairing Company, Limited, of $662,000.

"The credit of the latter Company and its operations not being satisfactory to its creditors, the question arose as to whether this Company should write off its losses, or should send good money after bad, and try and pull the chestnuts out of the fire by undertaking the operations of that Company; to insure, if possible, a betterment of its credit position, and that was done.

"The net result of that transaction was that this Company purchased, at some later date, in order to take up advances made to the Davie Company, a third mortgage to the amount of $2,500,000. That is practically a first mortgage, as far as the legal possession of the property is concerned, it is pretty close to the value of the property.

"The latter Company has suffered in company with many other Shipbuilding and Ship Repairing and Manufacturing concerns, by the great drop in commerce and by the dearth in orders which followed the end of the war. The Davie Company since then has barely paid its operating expenses. At the time these steps were taken, however, we are convinced that they were taken for the best interest of the parent Company. Had it been known what the result was going to be, the Directors would doubtless have refused to take the same action.

"If the Davie Company had to be sold today, and this amount cleared from this Company's books thereby, a serious loss would result in the transaction, which we estimate at $1,250,000.

"That is not the Company's fault. Have any of you gentlemen had to write prices down when there was a drop in the value of real estate or other property?

"The loss is not an actual one and will not be an actual one unless the property be sold for one-half of its outstanding mortgage, which is entirely improbable.

"The Tidewater Shipbuilders Plant was erected at Three Rivers at a cost of $1,548,000. No fault can be found with the erection of the property, or the type of machinery that was found there installed.

"The after effect of the war was exactly similar there. The plant could not be sold for the cost of the investment; nor could the tools; but there is no thought of selling that property, or the other one, at this time.

Operation of Ocean Vessels

"Eight ocean ships were purchased at a cost of $7,898,000. No subject was considered more carefully by the Directors at the time as the purchase of these eight ocean steamers. Ocean freights were very high at the time. Vessels were turning over their first cost to the owners within a few months after their purchase, and it was decided after mature consideration that it was indeed a good thing to do.

"The first two years they made money, and the third year they lost money; but the net result of the three years is a substantial credit to the net income of this Company, in amount of $90,000.

"There is no prospect, however, of that profit being continued during the present year, and perhaps in the future, but the saddest part of it is that, owing to the enormous increase in tonnage since the war, it has been considered that the value of these ships should not be carried at cost on the balance sheet of the Company, and there has been written off about $5,100,000, for ocean steamers and the Davie purchase.

"You need not have any doubt, gentlemen, in writing off of about one hundred per cent. of the losses incurred, that in the judgment of men who have spent ninety days of continuous and hard work on this matter — that it represents perhaps more than was really justified in view of all the circumstances, and particularly so in view of the fact that the same men who wrote off the ocean vessels are frank to say that in their judgment the value of the lake and river tonnage aggregates about two and a half millions, more than its book value on the basis of the depreciation reserve, which has been set up on the books of the Company at the present time.

"Those, gentlemen, represent the primary transactions. There are certain others. The current assets were increased by four millions. It would be impossible to analyze that account now, because it represents a great many different items.

"There were miscellaneous capital improvements on the property to the extent of $413,000, and there was a two-third interest purchase in the Century Coal Company at a cost of $437,000.

"The sum total of the impression that I desire to convey to you, gentlemen, is this; that notwithstanding all of the bad features connected with the war, and the transportation of goods and passengers during that period, that the transportation business of this Company has been conducted on a basis of sound and conservative profit, and the transactions upon which comment and criticism are heard on all sides, were transactions undertaken in good faith, and in respect to about fifty per cent. of those transactions they resulted in substantial benefit to this Company.

"There is no question at all but that the situation is as outlined to you, and there is no question also that all of these facts have a direct bearing upon the situation of this Company as it exists today."

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NEWS AND VIEWS FOR MANAGERS

WHAT AUDIT OR SHAREHOLDERS SHOULD COVER

How Appointments Are Made With Approval of Ottawa

By A. B. Baker,
Manager Toronto Clearing House

What are the provisions in the Act for shareholders' audit and state concisely what the Auditor's report must cover.

A.—Each year a list of forty persons, not one of whom may be a body corporate, picked by ballot by the general managers as eligible to be appointed Auditors, must be submitted to the Minister of Finance for his approval. If within sixty days thereafter notice of disapproval is not received the list must be published twice in the Canada Gazette. At the annual meeting of the bank an Auditor will be chosen by the shareholders from this list to hold office until the next annual general meeting. If the appointment is not made then the Act states that the Minister shall on written application of a shareholder appoint an Auditor. If there is objection by some of the shareholders to the Auditor appointed at the annual meeting a written application by shareholders owning at least one-third of the paid up capital stock of the bank may be made up to the Minister and he may after making enquiry supersede the Auditor chosen at the meeting and appoint another. No director or officer of the bank is eligible. Notice of the nomination of anyone other than the retiring Auditor as Auditor for the ensuing year must be given to the shareholders fourteen days prior to the Annual Meeting. If a vacancy in the office of Auditor occurs a special general meeting must be called to fill the vacancy or if the vacancy occurs less than three months before the annual meeting the Minister may appoint an Auditor on the written application of a shareholder.

Every Auditor has right of access to the books of accounts, cash, securities, documents and vouchers, and is entitled to require from the directors and officers of the bank such information and explanation as may be necessary for the performance of the duties of Auditor.

If the bank has branches the Auditors have access to all returns and reports and the Auditors may in their discretion visit the branch to examine the books and accounts, etc.

In addition to the checking of the accounts necessary for their report the Auditors must at least once during their term and at a different time check the cash and securities and the corresponding entries in the books of the chief office and may if they think necessary check those of any branch.

The Auditors must report to the shareholders (a) on the accounts examined by them, (b) on the checking of cash and securities, (c) on the statement of the affairs of the bank submitted by the directors. The report must state (a) whether they have obtained all the information and explanation they have required, (b) whether in their opinion the transactions of the bank which have come under their notice have been within the powers of the bank, (c) whether their checking of cash and securities agreed with the corresponding entries in the books, (d) whether in their opinion the statement referred to in the report is properly drawn to exhibit a true and correct view of the state of the bank's affairs as shown by the books of the bank and according to the best of their information and the explanations received. This report must be attached to the statement submitted by the directors and must be read at the annual meeting.

The Minister may direct and require any Auditor to examine and enquire specially into the affairs of the bank and report to him.

PERSONALS

JOHN STUART, who was recently elected president of Quaker Oats on his 45th birthday, started work in the Quaker Oats mill at Cedar Rapids, Iowa, in 1900, and was elected second vice-president in 1910. He is a son of Robert Stuart, the treasurer, one of the veteran Scottish-American cereal experts who have made the company famous. Another is James H. Douglas, the first vice-president, who has been for some time the active operating head.

CAPT. J. H. CHRISTIE, M. C., formerly of the head office of the Bank of Nova Scotia, has joined the firm of R. A. Daly & Co. Capt. Christie served overseas with the 73rd Royal Highlanders of Canada, a Montreal battalion. Toward the close of the war he was appointed to the staff of the British Embassy at Washington, as secretary to Lord Reading, and later to Viscount Grey, where he continued for about two years. During the past two years Capt. Christie has been engaged in financial work in New York and Montreal. He will have charge of the institutional business of the Daly firm.

DRUG STORE BANKS

Novel Idea Being Tried Out To Get Small Savings

The East New York Savings Bank, Brooklyn, is putting into effect in the East New York section, a new system of receiving deposits from the savers of the community. Hereafter, deposits will be received at any one of forty-five selected drug stores, and the savings depositor can drop into his nearest drug store to make a deposit, the same as he would drop in to buy a postage stamp.

According to this new plan, the drug stores will act as sub-stations of the bank, as they are often substations of the post office. The depositor, however, will not have the money entered on his pass-book by the druggist. The druggist will take the cash, hand the depositor a check drawn on a commercial bank, with receipt stub attached, and the depositor will tear off the receipt and mail the check to the savings bank, where it will be credited to his account. He may mail his pass-book or take it to the bank at his convenience for the entering of his deposits.

Each druggist who is to receive the deposits is bonded by the bank, for the protection of the institution and the depositors.

ALBERTA PLANS TO INVESTIGATE THE BANKING ACT

A Survey Looking to Amendments to Be Made Next Year

From Our Own Correspondent.

EDMONTON.—Dr. D. A. McGibbon, Professor of Economics in the University of Alberta, has been commissioned by the Provincial Government to make the investigation into the Canada Banking Act recently announced as a part of the Government's program this year. The purpose of the investigation will be to gather information in regard to the workings of the banking system preparatory to submitting a case to the Parliamentary Committee at Ottawa next year when the revision of the act is dealt with.

The results of the proposed survey will possibly have some bearing upon the movement for a provincial bank in Alberta. Efforts were made in the early part of the year, through United Farmer channels, to secure government action in this direction, and the whole question of government banking as a means of securing special banking service for the farmers has been more or less to the front for some time. The present administration, however, despite its farmer complexion, is known to be not at all keen on an undertaking of this kind, and its decision to have an investigation is thought to be with a view to securing such changes and readjustments in the working of the Bank Act as will give the prairie farmers a measure of desired relief and at the same time remove the necessity of the Government itself going into the banking business.

It is understood that an appointment for this investigation is pending and that the work will be commenced shortly. The whole matter of banking service through the present chartered bank system will be looked into, with an eye always to its effect upon Western business and especially upon the farming industry. When the expert has completed his survey and reported to the Government, a case will be prepared for submission to any parliamentary committee or revising board that may be appointed at Ottawa to deal with the Act.

NEW BANK DIRECTORS

The Banque Provinciale Chooses Three New Members

From Our Own Correspondent.

MONTREAL.—The Banque Provinciale of Canada announces the following appointments to the directorate:

Emilien Daoust, vice-president of La Librairie Beauchemin, Limitee, succeeds L. J. O. Beauchemin, one of the founders of the bank, who retired on account of ill-health. Mr. Daoust is also president of La Corporation de l'Ecole des Hautes Etudes Commerciales, and is a member of the Montreal Harbor Commission.

S. J. B. Rolland, president of the Rolland Paper Co., will occupy the seat vacated by Martial Chevalier, formerly general manager of Le Credit Franco-Canadien, and who now resides permanently in France.

J. A. Richard, president of Fashion Kraft, has been elected commissioner-censor, replacing Mr. Rolland, appointed director. Mr. Richard is also a member of the Catholic School Board of Montreal, is a director of l'Universite de Montreal and a commissioner-censor of Le Credit Foncier Franco-Canadien.

BANKS REFUND ONLY PERCENTAGE PENSION PAYMENT

Balance Goes to Carrying Obligation During Employment

From Our Own Correspondent.

MONTREAL.— The topic of pensions is still a live one in connection with the taking over of the Merchants Bank by the Bank of Montreal. As was pointed out in these columns a short time ago the rule in force in the Merchants Bank was that any member of the staff who left the employ of the Bank was entitled to withdraw the whole amount he had paid into the Pension Fund. The members of the staff of this Bank were disappointed when the merger went into effect to learn that the older bank did not allow the full amount paid in, and in this respect was in line with the practice of the majority of banks. No arrangement has yet been made, but it is probable that in time the two funds will be merged and the basis of the amalgamation is likely to depend to some extent on the condition of the Merchants Pension Fund, which it is believed may show a depreciation through containing as a portion of its investments shares of the Merchants, which show a material reduction on the merger basis.

While disappointment is keen among those who paid in regularly with the idea that 100 per cent. would be available if they wished to withdraw, it is argued by other banks that the bank cannot afford to provide the advantages afforded by connection with the pension fund without some charge, some deduction in case an employee leaves the bank. They point out that no pension fund can be upheld on the usual basis of contribution that runs 4 per cent. of the salaries of the staff. In every case the bank contributes out of current earnings every year a large sum to build up the fund until it reaches an actual basis, and to this point, it is understood, no Canadian bank's fund has yet attained. Herewith are given the conditions applying in the case of one bank in Canada to enjoyment of the privileges of the pension fund:

1.—All officers and clerks are from the date of their entrance obliged to contribute to the Fund at the rate of 4% per annum upon the amount of their salaries—deducted monthly from the Salary Pay Lists.

2.—The scale of Pension is 1/50th of the salary for each year's service up to the 35th year—which (35/50ths) is the limit attainable. No Pension shall exceed $5,000.

3.—Any officer on the attainment of his 64th year of age can demand his Pension and retire from the service—or any officer (after ten years' service) before he has attained 64 years of age, whose health incapacitates him permanently from further service, is entitled to a Pension on the above scale of 1/50th of his salary for each year he has served, up to 35 years as above.

The widow of any officer is entitled, so long as she lives and remains unmarried, to a Pension of half of the amount to which her husband would have been entitled at the time of his decease—which descends in case of the widow's decease or remarriage to the children until the youngest child reaches the age of 21 years.

It will be seen from this that pensions are payable not only to those who retire after a number of years of service, and presumably after the pension fund has been built up, but for permanent incapacity after they have been ten years in the service of the bank, and in the case of death the widow is entitled to a pension, and children to the age of twenty-one in case of her death or re-marriage. Hence the burdens laid upon the fund are heavy, and the 4 per cent. paid in fails to carry more than half, probably, of the liabilities incurred. On this account the practice of most banks is to allow those who withdraw only a portion of what they have paid in, reserving the rest, as an insurance company does with paid-in premiums, to "carry" the risk during the previous years.

12/14/68

ONTARIO SAVINGS

The Ontario Government Savings Bank has opened a branch at Market Square, Hamilton, with W. E. Peacock in charge.

A branch has also been opened at Market Street, Brantford, with S. S. Clark as manager and L. C. Jones teller.

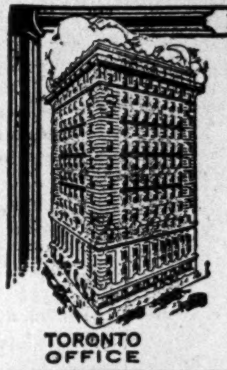
IMPERIAL

The Imperial Bank of Canada has opened a temporary office at the southwest corner of Bay and Richmond streets, Toronto, under the management of F. W. Smith, formerly manager at Market Branch, Toronto. On November 1 next this business will be transferred to the new building being erected by the General Accident Assurance Co. at the northeast corner of Bay and Temperance streets, and will be known as the Bay Street Branch.

SUN LIFE INSURANCE

The Sun Life Assurance Company of Canada has completed arrangements with the New York Life Assurance Company and the Equitable Life Assurance Company whereby the former company takes over the present policies of the two latter companies in South Africa, guaranteeing the policyholders their existing rights.

ESTABLISHED 1872



TORONTO OFFICE

THE immense resources of Canada must be developed to increase production of wealth sufficiently to take care of the country's indebtedness and to stimulate a continuous healthy growth. The Bank of Hamilton stands behind increased production and legitimate business enterprise.

BANK OF HAMILTON
BRANCHES THROUGHOUT CANADA

THE DOMINION BANK

Notice is hereby given that a Dividend of Three Per Cent. upon the paid-up Capital Stock of this Institution has been declared for the quarter ending 30th June, 1922, being at the rate of twelve per cent. per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Monday, the third day of July, 1922, to shareholders of record of the 20th June, 1922.

By Order of the Board,

C. A. BOGERT,
General Manager.

Toronto, 19th May, 1922.

P. LYALL & SONS CONSTRUCTION CO., LIMITED

FINANCIAL STATEMENT

As at March 31st, 1922

ASSETS

Plant:—Montreal, Ottawa, Toronto, Winnipeg, Esquimalt			$231,595.94	
Buildings:—Montreal			148,252.74	
Real Estate			769,181.11	
				$1,149,029.79
Patent Rights, Goodwill, etc.				1,783,509.89
Dominion Government Bonds and other Securities				1,277,208.23
Stock on Hand				71,254.91
Work in Progress				248,087.24
Bills Receivable				25,000.00
Accounts Receivable				903,334.41
Miscellaneous Assets				74,766.91
				$5,532,191.38
CAPITAL STOCK:— LIABILITIES				
7% Cumulative Preferred, authorized 15,000 Shares of $100.00 each			$1,500,000.00	
Issued				$1,300,000.00
COMMON:—				
Authorized 17,500 Shares of $100.00 each			1,750,000.00	
Issued				1,750,000.00
SIX PER CENT. FIRST MORTGAGE:—				
Twenty Year Gold Bonds, Authorized and Issued			1,250,000.00	
Less Bonds retired			431,300.00	
				818,700.00
Open Accounts Payable			134,443.42	
Accrued Wages to end of Fiscal Year			2,896.50	
Sub-Contractors' Balances and Drawbacks			231,747.85	
				369,087.77
Accrued Interest on Bonds to end of Fiscal Year				8,187.00
Accrued Dividends Preferred Stock to end of Fiscal Year				15,166.66
Bank Loans Less Cash on Hand				450,530.02
Appropriation for Sinking Fund Bond Redemption				431,300.00
ADD:—				
Earnings as per Profit and Loss Statement			240,738.66	
Amount at Credit of Profit and Loss as at March 31st, 1921			472,099.27	
			712,837.93	
Bond Interest		$50,318.00		
Preferred Dividends		91,000.00		
COMMON DIVIDENDS:—				
No. 15	$35,000.00			
No. 16	35,000.00			
No. 17	35,000.00			
No. 18	17,500.00			
		122,500.00		
Appropriation for Sinking Fund		59,800.00		
			323,618.00	
Amount at Credit of Profit and Loss March 31st, 1922			389,219.93	389,219.93
				$5,532,191.38

Profit and Loss Account

EARNINGS:—			
After deducting Rent, Insurance, Taxes, General Expense, etc.			$240,738.66
Amount at Credit of Profit and Loss, Year ending March 31st, 1921			472,099.27
			$712,837.93
APPROPRIATED AS FOLLOWS:—			
Bond Interest to end of Fiscal Year		$50,318.00	
Preferred Dividends to end of Fiscal Year		91,000.00	
Common Dividends:—			
No. 15	$35,000.00		
No. 16	35,000.00		
No. 17	35,000.00		
No. 18	17,500.00		
		122,500.00	
Appropriation for Sinking Fund Bond Redemption		59,800.00	
			323,618.00
Surplus			$389,219.93

Directors' Report to the Shareholders

Gentlemen:—

Your Directors herewith submit Balance Sheet of the Company as upon the 31st. day of March, 1922. Certified to by Messrs. Wright & Kingan, Auditors.

Gross earnings after deducting all operating expenses were $240,738.66.

The balance of $472,099.27 brought forward from the previous year added to the above makes a total of $712,837.93 from which the following amounts have been appropriated; Bond Interest, $50,318.00; Preferred Dividends, $91,000.00; Common Dividends, $122,500.00; Sinking Fund Bond Redemption, $59,800.00; leaving a balance at the credit of Surplus Account of $389,219.93.

The expected improvement in the Construction business did not materialize, and competition became a menace to profitable business, some of your Company's contracts on which a profit was anticipated, proved to the contrary.

Your Directors regretted the necessity of reducing the dividend owing to the conditions prevailing, and when the Esquimalt Dry Dock was closed down indefinitely, nothing remained but to discontinue it altogether. Your Directors confidently expect that this contract will again be started up in the near future. A few more contracts have been secured efficient work of the organization.

Labour employed at the present time is more reasonable and shows strong indications of increased production, which will, no doubt, encourage and cheapen work of all kinds.

Your Directors beg to report that negotiations have been started for the sale of the Transportation Building Company's bonds which are held by your Company. The sale of these bonds is of great importance to the Company, and would give more liquid working capital, and enable the company to take advantage of profitable opportunities that may be available.

Your Directors take this opportunity of expressing their appreciation of the loyalty and efficient work of the organization.

WILLIAM LYALL, President

THE FINANCIAL POST

Member of the Audit Bureau of Circulation

President - - - - - - - - JOHN BAYNE MACLEAN
Vice-president - - - - - - - HORACE T. HUNTER
Manager - - - - - - - - GORDON RUTLEDGE
Editor - - - - - - - - - - - - J. W. TYSON

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No paid advertising, other than annual reports or official notices of corporations, will be inserted in the news columns unless marked "Advertisement."

Advertising matter is investigated before publication, and none of known questionable character is accepted. Acceptance of advertising will not deter the editorial department from making such comments as the situation may suggest.

No material from news bureau sources submitted for editorial purposes will be published, and no such bureau or individual should be paid any consideration or given any credit for the insertion or inspiration of any item.

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The detailed circulation statement we submit is not our own claim, but the sworn finding of the Audit Bureau of Circulations, the recognized independent authority. THE FINANCIAL POST is the only Canadian financial paper submitting its circulation to the A. B. C. inspection.

THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER.

TORONTO, JUNE 9, 1922

SOMEBODY MUST PAY

WHEN ONE of Canada's leading daily newspapers is guilty of such an absurd blunder as to remark about a certain public improvement: "It will not cost the tax payers one cent because bonds will be issued to pay for it," there is no need to seek further for evidence that the whole system of public finance is very much of a mystery to the average man.

It is this same unbounded faith in bonds as a magic wand to give us railways, roads, canals and power ditches practically free that is responsible for so much bad government financing. What public officials, legislators and a large part of the general public fail to realize is that we cannot have anything without paying for it. Some day we must pay back every cent we have borrowed and in the meantime we will have to pay interest on the amount unpaid. All of which will show in the tax rates, as years go on.

One reason that it has been so easy to get the "O.K" of legislatures and the voting public on schemes to spend money is that we have not felt the cost of many of our public works to any serious degree as yet. We have not felt the cost because we have not been paying back what we borrowed to build these works.

In an article on page 12 of this issue opinions of a number of financial men are given on the subject of payment of provincial obligations. It may come as a shock to many business men to learn that while they are required to pay back money they borrow Canadian provinces do not consider it necessary to finance in this way. When students of finance condemn our present borrowing policies it is time to do some sound thinking. It cannot go on forever like that. Which will be the first province to issue a sinking fund or serial bond?

BECK'S CHRONIC OPTIMISM

WITH THAT optimism which has become chronic in regard to the activities of the Ontario Hydro Commission, Sir Adam Beck declares that the revenue from the municipalities will be sufficient to carry the Queenston-Chippawa development without the necessity of having to increase the rates to consumers.

Sir Adam is in no position to make any such statement because neither he nor anyone else knows what the Chippawa development is going to cost. It will evidently, however, be eight or ten times the first estimates. Nor does he know what the market for power will be, or on what terms water can be secured under a new international arrangement to operate the scheme.

It was to find out what Chippawa would cost and what price power could be sold at without burdening the taxpayers of the province that the special commission of inquiry was appointed by the government. With this inquiry just starting Sir Adam, with characteristic disregard for the government which appointed him, declares what its findings should be.

If the commission should report for higher rates—and this seems a foregone conclusion in view of the way in which costs have been run up—then Sir Adam can declare that the commission or the government or someone else was responsible in thus burdening the dear people because he had ruled that rates should not be advanced.

The price for Chippawa must be paid either by the consumers of Chippawa power or by the taxpayers of the province. If Sir Adam is allowed to juggle with the finances he may be able to fool the people on the question of rates but he cannot relieve the indirect burden in taxes to pay for what the Electrical World describes as a "monument to economic folly."

If Sir Adam displayed as much zeal in keeping his costs down as he does in keeping the rates down Hydro undertakings might have a chance to justify themselves.

—AND NOBODY BENEFITS

A YEAR ago this week THE FINANCIAL POST was first published under strike conditions. On the first of June, 1921, the mechanical department of this company and of many other publishing houses in the city were deserted. Since then the majority of these concerns have operated in defiance of the ill-considered order issued from Indianapolis and the unions have paid nearly $1,000,000 in strike pay.

The whole thing has been unfortunate. The union officials foolishly made demands for higher pay and shorter hours at a time when the public were calling for lower prices all round. The publishers realized that they could not pay these increases because conditions were such that they could not make increases in their charges. Backed by public opinion they have been able to carry on in the face of the strike. They have lost a lot of good workmen but they have by now been able to organize on a basis which permits of normal production.

The men have either found other employment or they are still existing on the funds paid out by the union. Their organization has paid out nearly $1,000,000 and as this has in no way meant production it means that this money collected from the wages of workers has been dissipated by those who have become loafers not because of individual desire on their part but because their leaders failed to realize that unionism cannot successfully combat economic conditions.

MORE SOVIET MISREPRESENTATION

> "One hesitates to appeal to lower motives than humanity yet when interest and benevolence are bound up togethe there is no harm in pointing out the fact. A restored Russi will be a valuable market for Canada, and especially for Canadian manufacturers."—From editorial in Toronto Globe.

The above is typical of the appeals being made for contributions to "Save the Children Fund." The other is that Lenine and Trotzky are saints, and their murderous policies were a necessary part of Russian reform. In the best days of normal trade Russia was able to buy less than one half of one per cent. of Canadian products; and, as we see it, the government and people of Russia are hopelessly penniless to-day and it will not be for many years to come that they can afford to buy Canadian products. Its own columns prove this, but the Globe may have other information not available to THE POST and Canadian exporters. If it has, it should give the facts or else stop issuing such misleading information.

NO POSTAGE STAMPS ON CHEQUES

WHATEVER the final decision of the Minister of Finance on the details of the stamp tax on cheques, it is essential that a regulation be incorporated in the Act prohibiting the use of ordinary postage stamps on cheques, as has been the custom since the tax of two cents was originated. THE FINANCIAL POST has drawn this to the attention of the Department on several occasions, but without avail. Up to the present there has been no means of determining how much this special tax brought in. It is a safe guess that the majority of stamps used are ordinary postage stamps and that the revenue from their sale has gone into the receipts of the Post Office Department.

Now when there is a widespread protest sincerely raised by financial and other organizations that the new tax as proposed is unjust in its accumulative volume, there are no records to determine what the returns of the previous stamp tax of two cents has been, that might serve as a comparison for the Minister in determining what volume of revenue this new tax might fairly be called on to contribute. Whatever way it is settled the subject will continue to be controversial, and in the interests of those called on to bear the heaviest part of this burden it is only fair that a special stamp be used that will make the proceeds of the tax definitely known.

EDITORIAL NOTES

IT IS quite evident that Mr. Crerar joins in our opinion that the Fielding budget contains no evidence that the King government has sold out to the Progressives.

* * * *

THE LACK OF A $50,000 type of general manager has cost Ontario manufacturers hundreds of thousands in extra taxation and lost Canadian manufacturers generally similar hundreds of thousands of orders placed by municipalities and public service corporations with foreign manufacturers. A successful freight agent is not necessarily a successful executive and salesman.

* * * *

HON. MR. FIELDING is being criticized for not taking the whole cabinet into his confidence when he decided on the tariff and other taxation changes.. Cabinet ministers are human and cannot keep secrets. Sir Philip Sassoon, who is to marry Lloyd George's daughter it is said, when cornered recently admitted that he had given away in advance some important changes to be made in the British budget speech.

* * * *

DR. W. A. RIDDELL, chief of the international labor office of the League of Nations at Genoa, says that even before the war German trade unionism was the most highly organized of any country in the world and since then it has lost none of its power, but it has been conducted on intelligent lines. He says the great volume of German industrial production is due to the highly developed relationship between employer and employee.

* * * *

THAT BLUNT OLD parliamentarian from the West, Hon. W. R. Motherwell, Minister of Agriculture, showed his usual frank disrespect for the political niceties, when, in discussing the budget in the House of Commons, he declared, "If I made a will last year and another this year, which will hold?" and again when he said: "We are entitled to use any legitimate means to save our bacon."

* * * *

WHILE THE WESTERN farmers continue to demand the enforcement of the Crow's Nest freight agreement, it is noticeable that, as the result of experience with labor, there is a growing feeling that rate concessions on the transportation of farm products cannot be expected unless the railroads employees are prepared to take fair wages—wages which will be in line with what they can afford to pay for workers on the farm.

* * * *

THE CONTENTION of THE FINANCIAL POST that the railroad muddle in Canada has been largely brought about through the interference of politicians and ambitious statesmen is strongly supported by C. W. Peterson, editor of the Farm and Ranch Review, Calgary, who declares:

> We are paying the price of insane over-expansion of railways brought about in order that politicans might win elections on "progressive railway policies." I want this statement to "sink into" the minds of my readers, against the time when returned prosperity will again tempt us to listen to the same dangerous election cry."

* * * *

THE ONTARIO Association Boards of Trade and Chambers of Commerce are planning a week's excursion to Northern Ontario this summer. Good. Let us hope that it will meet with better success than a similar venture by the Toronto Board of Trade. When the latter fell through there was a distinct feeling of disappointment in the North and the Northern News, Cobalt, hinted that Ontario business men were not interested because merchants and manufacturers could get their orders in the North without concerning themselves with the development of the country. It may not always be so. There is a great undeveloped mineral wealth in Northern Ontario. We should not forget that the grass in our own back yard may be just as green as that in distant fields.

If Sir Edmund Had Gone to Dundas—?

Something About the Man Who is Widely Known to Canadians As a Banker

There are few Canadians who have not heard of the many activities of Sir Edmund Walker, president of the Canadian Bank of Commerce, a banker whose "avocations are legion" to quote the words of Hon. Dr. Cody. But we believe that there are many Canadians who like the writer have known little about the man and who will share with him his interest in the following intimate sketch which appears in the Financier, London—Editor.

A Canadian professor relates that some few years ago, in the hills of Southern Palestine, he took refuge from a terrible dust storm in a castle built on a spur of the southern hills. There, in a fortress guarded by armed retainers and Kurdish dogs, he found a man of curiously wide knowledge and linguistic power. During a long conversation this learned son of the East told the professor that for years he had been studying the world's banking system, and had come to the conclusion that the Scotch and Canadian systems were the best in the world.

"This surprised me very much," the professor says, naively. His host went on to say that when he had any money that he wished to invest with great care he put it into the stock of the Canadian Bank of Commerce. "This suprised me even more," the professor says.

Had the estimable professor been a banker instead of a member of the scholastic fraternity he might not have been so surprised. The banking system of Canada is largely modelled on that of Scotland, and among the Canadian banks the Canadian Bank of Commerce is held in deservedly high regard as one of the leading institutions of its kind in the Dominion.

Youth At the Prow

In bringing it to this position Sir Edmund Walker, C.V.O., president of the bank, has taken a pre-eminent part. Sir Edmund, who was born in 1848, has been associated with the bank of which he is now president for fifty-four years. He began his banking career at an early, very early age. "I went to school in Hamilton, Ontario, at four years of age, and was ready for the Normal School in Toronto just about the time when Fort Sumter fell," he told a Toronto gathering while in a reminiscent mood, "but the doctor forbade it, and said I had better run about and get a little flesh on my bones before I did any more studying. In August, 1861, when twelve years and ten months old, I entered the office of my uncle really as an experiment in health. In such books as 'Who's Who' he is described as a private banker, but he had what in Europe is called a bureau de change—an exchange office. Here the American traveller sold his State bank notes, of which there are many hundred kinds, issued in various States, and ranging in discount when sent to New York in accordance with distance, but more so in accordance with opinion as to the soundness of the banking laws of the different States, the problem being further complicated by the existence of scores of failed banks, of forgeries and raised notes. As a result I soon became a recognized expert in counterfeit money."

It was a varied and exciting experience for a youngster, and one that was useful to him, when in 1868 he entered the service of the Canadian Bank of Commerce as a discount clerk. His ability was apparent from the beginning, and before he was 21 years old he was offered the management at Dundas, Ontario. Walker refused, saying that as he was only a discount clerk he ought to learn the routine of a bank before he became a manager. When the president personally expressed his annoyance at the refusal of what was intended as a compliment the junior said he did not wish to go where he would be forgotten.

Verily, a wise head on young shoulders.

After he had become accountant at Hamilton the Bank of Hamilton was started, and the manager of the new bank offered Walker the position of his assistant, with a much larger salary than he was then receiving. Again the future president declined what seemed to be a big step forward in his banking career. "I have great faith in my own bank," the young accountant said, "and, having put my hand to another plough, I do not wish to take it off." As a reward for his loyalty his salary was increased and he was sent to Toronto as chief accountant. He remained there for only seven or eight months, being sent to New York as junior agent in 1873.

The Tale of a Cheque

An incident in Sir Edmund's career in the American metropolis is worthy of record. From 1868 to 1873 had been a time of great expansion in business in both Europe and America, and the Canadian Bank of Commerce had opened in New York in 1872. Trouble had begun in Vienna, and in September it struck New York with the failure of Jay Cooke and Company. Walker's duties were those of an accountant. He had to carry out the transactions entered into by the senior agents, but he also had charge of all their loans of gold against currency and the keeping up of the margin thereon.

All of the big banking houses which failed had borrowed gold from the Canadian bank, and the junior agent's business was to manage so that they escaped loss. Walker got what was probably the last cheque that was certified of a great banking house which failed then. The messenger on a call for margin got the cheque, drawn, of course, on a clearing-house bank, but on going to get it certified the bank refused and the messenger hurried to Mr. Walker with the information. Walker went to the private office of the banker and told him, expecting only to hear that he had failed. He, however, took Walker to the bank, and, after he had conversed with the cashier, the cheque was certified. An hour later the house had failed.

Winning His Spurs

After two years in New York Edmund Walker was sent to Windsor, Ontario, as branch manager. The Canadian banks were heavily interested in lumber, and the Canadian Bank of Commerce had become entangled in a group of operators, another Canadian bank having about the same interest in other members of the same group. Walker worked hard for three years to relieve the situation—and won his spurs. His bank lost only a marginal sum, while the other bank made a loss which was one of the largest known in Canadian banking at that time.

In 1880 he was appointed inspector, with one clerk. The bank had then 30 branches in Ontario and offices in Montreal, New York and Chicago. During the year Walker prepared the first printed regulations of the bank and the first real cipher code. The scientific codemaker was then unknown, and the inspector obtained the aid of Mr. Dwight, the father of Canadian telegraphy. Before Mr. Walker had completed the inspection of all the branches he was appointed manager at Hamilton. Six months later he was back in New York, this time as joint agent. He was there for five years, during which period the Canadian Bank of Commerce became a recognized power in foreign exchange, and was relatively much more important in its New York surroundings than it was in Canada.

Pinnacle of Banking Fame

Success leads to success. In the autumn of 1886 Sir Edmund, then Mr. Walker—he was knighted in 1910—was made general manager of the bank in whose service he had commenced as a discount clerk. He had won the position through sheer merit, efficiency and character, and the tremendous strides made by the bank during his executive control splendidly justified the wisdom of the directors' choice and brought to Sir Edmund his well-deserved reputation as one of the ablest bankers on the American Continent.

In 1907 he became president, a position which he still actively fills, to the benefit of the bank, to the benefit of Canada, and to the benefit of international finance. For eight years after attaining the pinnacle of banking fame he retained a share in the responsibility of executive control, and his wise counsel and ripe experience have ever been at the disposal of his successors in the general managership, the late Mr. Alexander Laird, and the present holder of that office, Sir John Aird.

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Association Manager

A small association of manufacturers desire a general manager to handle their common affairs; promote their interests, and carry on propaganda. He must be capable, with a good record, command respect of the important interests with whom he will come in contact. Good education, newspaper, legal and business experience would be an advantage but not essential. State experience and present salary.

Box 10, Financial Post, Toronto.

N. Y. Journal of Commerce, editorially discussing strike threat of railroad workers, says "there ought to be no shadow of surrender on part of Labor Board. That body has been dilly-dallying long enough. The time has come for showdown." Questions whether strike threats are to be taken seriously.

A Sound Investment Yielding Over . . . 7½%

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The investor is assured an income return of over 7½% on his investment for a period of 15 years. Fixed assets are more than two and one-half times the present Bond issue. Earning capacity for the past four years has been more than three times the interest requirements on the present issue.

Write for full information.

Canadian Debentures
Corporation Limited
Established 1910
36 KING ST. EAST TORONTO

June Investments

Those with accumulated funds and those with funds now being received from June dividend or interest payments have splendid opportunities for investment of these funds. Bonds of Canada's representative municipalities form ideal investments and may be procured with a wide choice as to maturity, amounts, prices, yields, etc.

Among the bonds listed in our June List are the following:

Security	Rate		Due
CITY OF ST. THOMAS	6%	BONDS	May 20, 1923-37
PROVINCE OF NEW BRUNSWICK	6%	BONDS	May 1, 1930
COUNTY OF RENFREW	6%	BONDS	May 6, 1923-42
CITY OF EDMONTON SCHOOL DIST.	5½%	BONDS	June 15, 1962
CITY OF STRATFORD	5¼%	BONDS	Jan. 1, 1952
TOWN OF NAPANEE	5½%	BONDS	May 1, 1923-50
PROVINCE OF MANITOBA Guaranteeing R. M. Albert	6%	BONDS	Jan. 2, 1923-52
PROVINCE OF MANITOBA Guaranteeing R. M. Macdonald	6%	BONDS	May 1, 1923-42
CITY OF TORONTO	6%	BONDS	June 1, 1936
CITY OF WINNIPEG	6%	BONDS	Feb. 1, 1941
PROVINCE OF BRITISH COLUMBIA AGRICULTURAL CREDIT COMM.	4½%	BONDS	May 1, 1941
CITY OF HULL	5½%	BONDS	May 1, 1937
CITY OF MONTREAL	5½%	BONDS	March 1, 1932
CITY OF SHERBROOKE	5%	BONDS	June 1, 1931
GREATER WINNIPEG WATER DIST.	6%	BONDS	May 2, 1951
GREATER WINNIPEG WATER DIST.	6%	BONDS	April 1, 1940
WESTMOUNT SCHOOL COMMISSION	5%	BONDS	July 1, 1925-27
MONTREAL NORTH (METROPOLITAN COMMISSION)	6%	BONDS	May 1, 1955
ST. MICHEL DE LAVAL (METROPOLITAN COMMISSION)	6%	BONDS	May 1, 1956
CITY OF SHAWINIGAN FALLS	6%	BONDS	May 1, 1926
CITY OF REGINA	5%	DEB. STOCK	July 1, 1963
CITY OF REGINA PUBLIC SCHOOL DISTRICT	6½%	BONDS	Feb. 1, 1951
CITY OF NELSON, B.C.	5½%	BONDS	May 15, 1937
R. M. EAST KILDONAN	6%	BONDS	May 1, 1942
HOWARD SMITH PAPER MILLS, LTD.	7%	BONDS	Jan. 2, 1941

Full particulars of any of the above and copy of the June List gladly forwarded on request.

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Established 1889

JUNE DIVIDENDS

JUNE DIVIDENDS

Banks	$2,354,804
Industrials, etc.	2,285,566
Bond Interest	19,937,564
	$24,577,934

Banks

Bank	Rate	Amount
Commerce	3 q	$450,000
Hamilton	3 q	150,000
Hochelaga	2½q	100,000
Home	1¾q	34,289
Montreal	3 q	660,000
Royal	3 q	610,515
Toronto	3 q	150,000
Union	2½q	200,000
		$2,354,804

Industrials, Etc

Company	Rate	Amount
Brand. Henderson com.	1¼q	$12,125
Belding Paul pref.	1¾q	15,142
C. C. Rubber pref.	1¾q	52,500
Crow's Nest Coal	1½q	93,189
Gillette Safety Razor	2½	530,000
Imperial Oil	75cq	1,170,000
Lake of Woods com.	3 q	84,000
Do pref.	1¾q	26,250
Montreal Cottons, com.	1½q	44,244
Do pref.	1¾q	51,618
Ogilvie Flour pref.	1¾q	35,000
Port Hope Sanitary pref	1¾q	7,980
Sherwin Williams pref.	1¾q	59,938
Western Can. Flour	2 q	49,708
Woods Mfg. com.	2 q	34,372
Montreal Loan	3 q	18,000
London Life Ins.	2 q	1,500
		$2,285,566

Bond Interest

Company	Rate	Due	Amount
Can. Car.	6	1939	$150,843
Mont. Steel Works	6	1940	22,500
Can. Converters	6	1926	11,970
Dom. Glass	6	1933	47,349
L. Superior Corp.	5	1944	131,550
Algoma Steel	5	1944	145,000
L. of Woods Milling	6	1923	27,000
Ogilvie Flour (a)	6	1932	30,000
Do series (b)	6	1932	22,500
Do series (c)	6	1932	18,000
Riordon Co.	8	1940	319,200
Riordon P. & P.	6	1932	57,033
How. Smith Paper	6	1934	24,000
Standard Chemical	5	1934	16,027
Stand. Clay Prod.	6	1942	20,901
Wabasso Cotton	6	1947	26,430
St. Maur. V. Cotton	6	1952	43,566
Mont. Water & P.	4½	1932	109,498
Do	5	1932	26,862
Ottawa Elec.	5	1933	15,625
Shawinigan	5½	1950	165,000
Barcelona Trac (a)	7	1965	282,212
Do (b)	6	1965	291,999
Do	5½	1974	1,004,417
Do	6	1924	115,872
Sao Paulo	5	1929	150,000
Detroit United	5	1924	35,000
Mex. Light & P.	5	1961	243,332
N. S. Tramways	5	1946	56,250
Quebec Ry.	5	1939	164,725
Trinidad Elec.	5	1933	18,000
Maritime Tel.	7	1945	35,000
Porto Rico Teleph.	6	1944	29,121
C. N. R.	7	1940	875,000
Dom. War Loan	5	1925	1,081,132
Victory Loan	5½	1922	5,358,157
Do	5½	1927	1,813,938
Do	5½	1937	6,952,555
			$19,937,564

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INVESTORS' INQUIRIES

Information under this head is given in answer to direct requests from investors who are readers of THE FINANCIAL POST. Only questions respecting securities are answered by mail direct. We would remind correspondents that it is now necessary to enclose 3 cents in postage stamps to cover postage on answers direct.

ALLEN THEATRES

W. J., St. John.—I have four shares preferred stock and two shares common of Allen Theatres which were part of a legacy. These were the only Ontario assets of the estate. I have been told that before I can get these shares transferred I must produce a certificate of freedom from succession duties in Ontario. Can you tell me the easiest method of getting these shares transferred; also anything as to their intrinsic value at the present time.

At the present time the affairs of Allen Theatres Limited are in the hands of a trustee. It is understood that several offers have been made for the common stock holdings of the parent company in the independent theatres across the country. Should any offer be accepted the creditors claims will be met in full but it is doubtful whether the preferred or common shareholders will get anything out of it. There is no market value for the common stock at the present time. In our opinion the best course that you could take would be to leave your stock here until some definite announcement has been made.

MUTUAL OIL

J. C., Montreal.—Please advise any information you can obtain regarding the Mutual Oil Company.

The Mutual Oil Company, formerly the Elk Basin Consolidated Petroleum Company, is now associated with the Standard Oil interests. The annual report for the past year shows profits of $1,257,689, as against $2,019,732 for 1920. During the first six months of 1921 their refineries were closed a large part of the time on account of the decreased consumption of petroleum products. During 1921 7½ per cent. dividends were paid and in October they were discontinued to take care of the development work of the company. In our opinion this company is one of the stronger of the speculative companies.

SUCCESSION DUTIES

G. A. S.—In your interesting "Investment Story from Real Life," you stated that Dr. Bartlon had all his bonds registered in both the name of himself and his wife, "or survivor," for the purpose of preventing any possibility of misunderstanding under his will. If Dr. Bartlon's estate were large enough to be subject to succession duties in Ontario would such bonds, jointly registered, be subject to taxation?

Where bonds are registered in the name of two persons "or survivor" the Province of Ontario, for the purpose of computing succession duties, considers the bonds as the property of the person who originally owned them or paid for them. As Dr. Bartlon paid for the bonds out of his professional earnings his estate would be subject to taxation for succession duties on these bonds. If on the other hand "Mrs. Bartlon" had a private income and purchased bonds herself registering them in the name of both herself and her husband, such bonds would not be taxable at the doctor's death.

BELL TELEPHONE COMPANY

Subscriber, Augusta, Maine.—Would you please advise me how you regard Bell Telephone Co. and their outlook into the future.

You will have noticed recently some upward movement in this security that followed an issue of $5,000,000 of new stock. The rise in the price in the face of an increase in the stock was an unusual occurrence. The start was made at first by good publicity in reference to this security, but afterwards the investors entered the market and the advance still continued. As a long established public utility, whose dividends have been met for 35 years, and with the cost operation likely to decrease steadily for some time to come, we look favorably on this issue. Over a period of years its record of earnings and dividends is a very creditable one and it seems certain that its dividend will be maintained. There is only one point to consider in connection with this as a public utility and that is the prevalence of attacks made upon the company whenever any application for an increased rate or other accommodation comes before the Railway Board of Canada, which regulates this company as well as the steam roads. In a judgment given last year the principle seemed to be laid down that this company should be allowed rates that would ensure not only the maintenance of an 8 per cent. dividend but at least 2 per cent. of a surplus. Afterwards there was a disposition on the part of a certain portion of the Railway Board to disregard this previous assurance, so that the principle of a 10 per cent. return can hardly yet be said to have been firmly established. So far as the public attitude is concerned we feel that here, just as apparently is the case in the United States, there is a rather better feeling towards corporations that operate under a public franchise. This feeling should prevent any of them from being sacrificed in the regulation of their relations with the public at large. On the whole we feel that you can regard an investment in this security as a safe one and as interest rates tend to decline the price of this stock should appreciate.

PROVINCIAL INSURANCE

R. D., Toronto.—Please be good enough to let me have your opinion of the Provincial Insurance Co., a non-tariff company writing automobile insurance. Do you consider the company safe to insure with?

The Provincial Insurance Company is one of the smaller English insurance companies doing business in this country. It has been established here a little over six years. According to the annual report for last year the general reserve amounts to $194,666 and reserves for unexpired risks brings this fund up to $691,341. The total funds available for fire accident and marine liabilities amount to $1,372,674. We consider this company quite safe to insure with.

ABITIBI COMMON

Subscriber, St. Andrew's, Que.—What do you think of Abitibi common as a safe investment?

This stock cannot yet be placed in the list as a "safe investment." Indeed very few common stocks merit this description. It is only after a company has been operating for a number of years under all kinds of conditions, both favorable and unfavorable, and after it has won success in its field and its product is acknowledged, and after a substantial reserve has been accumulated and dividends have been maintained for a number of years, and the general prospects of the company are bright and warrant a belief that the dividends will be maintained with a good margin of safety in addition, that one begins to consider a security as a "safe investment." Abitibi, as probably you are aware, was forced to cut its dividend from 6 per cent. to 4, and then pass it altogether last year, as its earnings were not sufficient to maintain the payments. In addition the company required large sums of money to cover obligations to contractors for extensions that doubled the capacity of the mills and for various other developments. It is reasonable, however, to suppose that the company will be in a position to consider dividends early next year. By that time all its contractors' obligations will have been met, and the year 1922 should show a surplus available for dividends over and above the meeting of its interest and sinking fund requirements, depreciation of plant and of timber limits, and any inventory losses that it must absorb as the result of the decline in value of the pulpwood that it has had on hand for the past year. This security, then, would be termed a rather attractive speculative investment. The company has a capacity of about 500 tons a day, an ample supply of water power that is developed, and it can secure its wood at low cost. Efficient management is also one of the favorable features of this company.

CURRENT OPINION

MAKING BANK DIRECTORS DIRECT.

Pacific Banker

Other states are falling in line with the policy of Frank C. Bramwell, superintendent of banks for the state of Oregon, in insisting that bank directors are elected to direct and must perform the duties of the office or get out. The days of the one-man managed bank are numbered, for too many bank failures have been the result of leaving the management of the institution in the hands of one individual. Far too frequently directors have been chosen merely for the strength their names would lend the institution, little attention being paid as to whether they performed their duties as prescribed for the board of directors.

We learn largely through experience. Banking has made tremendous strides during the last decade, credits are much more complicated and the immense amount of detail which banks are now compelled to perform to care for their customers' various interests makes the job too big and complicated for one man to handle efficiently. The increased guidance of a competent directorate is necessary. To bring this about, bank superintendents are trying to remedy the shortcomings of the average bank director by having him attend the group meetings of their districts where the superintendent of banks will address them on their duties and responsibilities. It is much easier and less expensive to get them together at group meetings, than it would be to have them attend the state convention where the program is much broader in its scope.

Unsold Balances

Our new list of "Unsold Balances of Larger Issues" of Canadian Government and Municipal Bonds, contains offerings of bonds of such cities as Ottawa, Kingston, London, Kitchener and Niagara Falls, and such towns as Bowmanville, Mimico and North Bay. It also describes a number of Provincial and Provincial Guaranteed issues.

Denominations of these bonds range from $117 to $1,000, and maturities run up to 1954.

Being the unsold balances of substantial issues, these bonds are offered at exceedingly attractive prices.

Write for this list. It is interesting.

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Without including earnings to be derived from the new plant, average Net Earnings available for Bond interest for the past four years have amounted to over three and one-half times the required amount, including interest on the 7% Bonds.

Write for our circular descriptive of the issue.

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Head Office

Telephone Main 5390

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TWO CANADIAN CITIES

CITY OF WINDSOR

5½% Bonds

Maturing June 1, 1923-1952

Denominations:
$1,000 and a wide range of odd amounts.

Maturity	Price	Approx. Yield
1923-1937	100.00	5.50%
1938-1946	100.50	5.45%
1947-1952	101.00	5.43%

Windsor is one of the fastest growing and most prosperous cities in Ontario with large and ever increasing industrial and commercial activities.

CITY OF CALGARY

4½% and 5% Bonds

Maturing July 1, 1942 and 1943

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In this number will be compiled complete and up-to-date financial statistics of the provinces and municipalities of Canada. As these statistics are available in complete form, in no other publication the issue will be invaluable to investors and dealers in Government, Provincial and Municipal Bonds.

The Eight Annual Government and Municipal Review Number of THE FINANCIAL POST will be published in connection with the June 30 issue. In order that we may determine how many copies to print, we shall want to know in advance how many extra copies will be required.

Last year nearly 4,000 extra copies were sold. Bond houses distributed copies to their salesmen, agents and clients. Investing institutions placed copies in the hands of all their agents and officers.

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NEWS OF THE BOND MARKET

ONTARIO REFUNDS BONDS FREE FROM SUCCESSION DUTY

Market Has Been Sky-Rocketing in Past Few Weeks

Hon. Peter Smith, provincial treasurer of Ontario, has very wisely decided to borrow sufficient this year to mature as many as possible of the outstanding bonds of the Province of Ontario that have been issued free from succession duties. As a matter of fact these bonds have been gradually purchased by the province. It will be recalled that two years ago the provincial treasurer re-purchased $8,889,600 of such bonds issued some years ago and made a considerable saving not only in exchange, for the bonds were payable in England and purchased at a considerable discount, but in wiping out of the succession duty free feature of these bonds. Since then it is understood over a million dollars additional of these bonds have been bought in by the province.

At the end of October last the last fiscal year—October 31, 1921—there were outstanding the following bonds free from succession duties:

3½%	stocks	1946	$2,634,011
4%	stocks	1947	3,916,966
4½%	stocks	1965	1,867,443
3½%	bonds	1926 and 36	3,000,000
4 %	bonds	1939	3,500,000
4 %	bonds	1941	500,000
4 %	bonds,	1941	3,000,000

There has been an exceedingly active market of late in these bonds. The rise really commenced prior to the recent death of a wealthy Canadian mercantile leader. It is estimated that at least $2,000,000 of succession duty free bonds were purchased by this estate prior to the death of the man in question. This large demand had the effect of raising prices to such an extent that one issue rose from around 92 to well over 110, and even 113 in the case of one particular transaction.

Nor has the death of this individual caused any very great slump in the market for succession duty free bonds. For a few days prices sagged but it is stated that the bonds will not be sold by the estate but will be held for the account of other members of the family. The conjunction of this series of heavy purchases with the determination of the province to get the bonds off the market has strengthened prices very materially.

There is little loss to the business man in purchasing these bonds unless he outlives his own expectations. The immediate loss amounts to about 1½ per cent. per annum on the principal amount of the investment—this being the difference between the interest received on these bonds and prevailing yields of similar securities without the "S. D. F." feature. If the tax on the estate amounts to 25 per cent., which is a conservative estimate for an estate in the million-dollar class it will be seen that the owner would benefit even if he lived fifteen years or more.

The loss to the province by having these bonds outstanding is not represented by the amount of taxes saved by a single estate. In the ordinary instance, where the bonds were not required for another member of the family, one of the first steps of the executor would be to dispose of these securities and a single block of bonds might pass through a dozen estates before maturity, in the aggregate saving these estates more than the face value of the bonds, or in other words, costing the province that much in revenue that might otherwise have been received. In one budget speech it was estimated that the province loses the face value of the bonds every seventh time they change hands.

Bonds vs. Mortgages Compared in Booklet

Fundamental investment differences between bonds and mortgages are discussed in an informative booklet published by the Canadian Debentures Corporation under the title "Bonds vs. Mortgages." The booklet concludes:

"Summing up the principal points that we have learned in our study of bonds and mortgages, we come to some very definite conclusions. Making a specific comparison of bonds and mortgages, we find that as regards safety of the principal sum invested, the surety of interest return, and the fairness of the return received, there is little choice between bonds and mortgages. It is in the important elements of Convertibility, Freedom from Care, Convenience of Demonstration, Duration, and Possibility of Appreciation in Value, that bonds far outrank mortgages from the investor's viewpoint.

"For those who will undertake to study the science of investment, and will consult freely and frequently with a reliable and efficient investment house, there can be no doubt as to the best form of investment; experience will teach such persons the positive superiority of bonds as trustworthy taskmasters to make their dollars produce more dollars."

Future Provincial Bonds Should Provide For Own Repayment

This is Opinion of Leading Investment Bankers and Financial Men—Stop Tremendous Increase in Debt Burden

"Continuous increases in debt without making provision for its retirement will ultimately result in disaster, whether in the case of Dominion, Province or City." In these words a keen student of government and municipal financing, known from coast to coast in Canada, expresses a thought that has been formulating itself in the minds of many Canadian business and financial men. An increasing number of such men are coming to the conclusion that in the interests of sound finance and of Canada's credit standing Canadian provinces should at once lay the foundations for a system to repay their obligations as they mature. At present provincial bonds are issued for various purposes and when they mature are refunded by still further issues. By this process public debts are increased from year to year at an enormous rate.

Must Feel it in Our Taxes

An executive officer of one of Canada's largest investment banking houses said to The FINANCIAL POST:

"Canadian provinces should begin at once to issue bonds that provide for their own repayment. They may be either serial bonds or bonds of the sinking fund type. But whatever the process people, public officials, and legislators must be made to understand that when they borrow they must make arrangements to pay back what they borrow. Taxpayers must be made to feel that they cannot have improvements or services free simply because they are paying for them with borrowed money. There will never be any curb on expenditures in Canada until those who find the money have to set aside a part of their annual income to meet maturing obligations."

Serial vs. Sinking Fund

Another investment banker speaks along similar lines and suggests serial bonds as the proper method of meeting the situation. He says:

"I am strongly of the opinion that provision should be made through the establishment of sinking funds for retiring our Dominion and Provincial loans. These loans, in most cases, have reached such substantial amounts that, unless some adequate provision for their retirement is made, institutions and other large investors may begin to question the advisability of their purchase.

"From this standpoint the ideal arrangement is the serial bond, through which a portion of the loan is paid off each year. The next desirable plan is the establishment of a sinking fund which, in most cases, meets the requirements of these investors.

"This is, undoubtedly, a matter which should be taken up seriously by those in charge of Dominion and Provincial business if the high standard of our premier Canadian securities is to be maintained."

But his view on serial bonds is not unanimous. A third banker of high standing remarks in a letter to The FINANCIAL POST:

"I am very much of the opinion that all bonds issued by our Provinces should carry a specific Sinking Fund, but this fact should be regulated according to the length and term of the security, taking into consideration the length of time the proceeds will be used.

"There is no doubt about it that we should pay as we go, but as far as Serial Bonds are concerned, from the Bond Dealers' and the public's standpoint, I am very much of the opinion that a straight term bond is more attractive.

"Sinking Funds can be employed in the purchase of the Province's securities that are available on the market at the time these funds come to hand, As an instance, we might cite the condition of the City of Toronto. The Sinking Fund is employed in purchasing for the most part City of Toronto bonds. This has a tendency to keep the market fairly sweet on their issues.

"The early and long maturities of serial bonds sell readily but the intermediate securities as a rule drag a little."

Some Present Examples

The financial observer whose comment is contained in the first paragraph of this article refers to the present attitude of some legislative bodies as regards repayment of debts. He says:

"In a number of the provinces addition to capital indebtedness without providing for its retirement is a common pratice.

"Probably the underlying idea in the minds of the legislators in permitting these issues is that the country is growing and that the security at the back of the bonds issued is steadily increasing. It is well known that the potential assets of the Canadian West are simply enormous, but when it comes to crystallizing any portino of them into cash to pay interest, great difficulty is experienced. Evidence of these difficulties is to be found in various acts which make it difficult to collect debts and taxes. The Saskatchewan Government recently passed an act to grant special powers to the local government board, which would stay the hands of creditors of municipalities. We must not forget, also, that Manitoba still has a moratorium in effect. Payment of debts in 1922 has been hindered, of course, by serious drops in prices and there is justification for leniency on the part of creditors, and likewise justification for protest against unreasonable action on the part of creditors.

"It is a mistake, however, to issue certificates of indebtedness without providing for and knowing that they can be retired on the due date."

That the small sinking funds that some provinces have established for their present debts are appreciated by investment men is seen from this comment of another investment house:

"Unquestionably, it would not be a sound economic policy for provinces to continue borrowing without making provision for meeting their obligations and we believe that the various provincial governments realize that all bond issues should not be merely refunded at maturity.

"Until a very few years ago, provincial debts in Canada were comparatively small, and sinking funds had been established against many of them. While these sinking funds were not large, they were well in proportion to the size of the debt.

"For many reasons, of which you are aware, the demand for capital by provinces has been quite heavy of late years, and this capital had to be borrowed under war time pressure. Interest rates were high, and many of the loans were therefore made for short periods, with a view to refunding at maturity when it was expected that interest rates would be lower.

"Against such short term bonds it was, of course, not practical to attempt to establish sinking funds. Now that these loans are being refunded by longer term bonds, the provinces are taking action towards the establishment of general sinking funds. Recent communications with the various provincial treasurers indicate that sinking fund provisions either have been, or are in the process of being enlarged to cover all outstanding debts.

"This sinking fund may not be sufficient to retire the entire debt at maturity, but it will undoubtedly go quite a distance towards so doing, and this decision on the part of the provinces is a most decided step in the right direction.

"With regard to the serial type of bonds, we might point out that this would not necessarily demand the repayment of debt at maturity, for such bonds might be refunded each year or two, thereby involving a great deal of unnecessary financing.

"The principal objection, however, is that serial bonds are difficult to market, and would not bring nearly as attractive prices as are obtainable by straight term issues."

NEW YORK APPROVES

"The Bond Buyer," of New York reprints a recent article from THE FINANCIAL POST on the subject of sinking fund and serial type bonds and refers to the proposal for establishment of sinking funds for all future provincial bond issues as "a valuable and timely suggestion."

Real Estate Bond Issue by W. F. Mahon & Co.

W. F. Mahon and Co., of Halifax, are offering $79,000, 6½ per cent. (closed) mortgage sinking fund bonds of Carleton House Ltd., Halifax, at $100 and accrued interest.

The bonds are dated April 1, 1922, and are due April 1, 1942, with interest payable on April 1 and October 1, at the offices of the East-branch of the Canadian Bank of Commerce in the Maritime Provinces. The bonds are in denominations of $1,000, $500 and $100, with privileges of registration as to principal, and are redeemable as a whole or in part prior to maturity at 105 and accrued interest.

The bonds are secured by a first closed mortgage on the lands and buildings, and the property valuation, based on the figures of the valuators is $158,000.

BOND MOVEMENTS OF THE WEEK

Latest Price Week Ending June 6

BONDS—	Int. Rate.	Due Year.	Yield.	Range 1921 High	Range 1921 Low.	Range 1922. High.	Range 1922. Low.	Latest Price. Ask.	Latest Price. Bid.	Week End. High.	Week End. Low.
Asbestos	5	1942	6.32	100	73	100	76	—	85	84¾	—
Bell Telephone	5	1925	6.12	93½	81¼	96½	94	—	93	96	—
Can. Bread	6	1941	6.33	90½	83	96½	88½	96¼	95	96¼	—
Can. Cement	6	1929	6.37	95	89	98¾	94	—	97	97¾	—
Can. Cottons	5	1940	6.85	84	77	85	82	—	85	85	—
Cons. Rubber	6	1946	6.37	90	84	96	88	—	95	95½	—
Can. Locomotive	6	1951	6.53	90	82	94	87	—	92	93	—
Cedar Rapids	5	1953	5.37	97	86	97½	94	—	95	95½	94½
Dom. Textile	6	1925	6.85	98	92	99½	97	—	97¾	98	97
Lyall Cons.	6	1932	8.68	86	68	79¾	75	—	77½	79¾	—
Montreal Trams	5	1941	5.88	90¼	82¼	89¾	87½	89¾	—	89¾	—
N. S. Steel	5	1959	6.02	76¾	69¾	84¾	78½	—	84¾	84¾	84½
Price	5	1940	6.10	84	78	87¾	85	—	87	87¾	87
Quebec Rly.	5	1939	7.95	68	59	72½	63½	71¾	71½	72	71
Sao Paulo	5	1929	7.67	82	70	85½	80	85	84½	84¼	—
Sher.-Williams	6	1941	6.12	98	96	99	96	—	98	98½	98
Rio Janeiro	5	1935	6.66	84¼	78	85⅝	76	86	85½	85	—
Steel of Can.	6	1940	6.08	99	88½	99⅜	97	100	99	99	—
Wayagamack	6	1951	7.72	78¼	69½	80	71¾	81	80	80	—
War Loan (1925)	5	1925	5.55	96.00	92.00	98.60	96.10	——	98.25	98.25	97.90
Do., (1931)	5	1931	5.23	96.60	90.05	98.90	96.25	——	98.35	98.50	98.00
Do., (1937)	5	1937	4.90	102.50	94.50	101.50	99.50	100.20	100.05	100.10	99.70
Victory (1922)	5½	1922	5.70	99.55	96.62	100.10	99.10	99.95	99.90	99.90	99.50
Do., (1923)	5½	1923	5.56	99.50	95.50	100.10	98.75	99.95	99.90	99.90	99.25
Do., (1924)	5½	1924	5.76	98.50	94.25	100.75	98.00	99.50	99.40	99.40	99.15
Do., (1927)	5½	1927	5.34	101.00	95.25	102.70	99.75	——	100.90	101.00	100.75
Do., (1933)	5½	1933	5.21	101.80	95.12	103.90	101.25	102.60	102.50	102.75	102.25
Do., (1934)	5½	1934	5.45	99.43	92.25	101.45	98.80	100.50	100.40	100.65	100.30
Do., (1937)	5½	1937	5.01	104.00	96.50	106.55	103.30	105.25	105.15	105.30	104.90

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ASSESSING ANGUS SHOPS

From Our Own Correspondent.

MONTREAL.—The assessed valuation of the Angus shops on the Canadian Pacific Railway Co. is before the City Council. The assessment has been fixed on a valuation of $400,000 for the past five years, but the Executive of the Council do not think this high enough and recommend a fixed figure of $1,000,000 for the next five years. The Company has offered a valuation of $750,000.

CIVIC AND PROVINCIAL FINANCE

SHORT TERM BONDS OF HAMILTON TO BE SOLD LOCALLY

While Longer Term Bonds Will Go Direct to Dealers

Hamilton tried an experiment in municipal financing this week that is of interest although the results achieved were but minor. The city originally called for tenders on an assorted block of bonds running up to 20 instalments. A bid of 98,467 was the highest received, on a basis of 5.51 per cent. This bid was refused by City Treasurer Davis, who decided to sell the short term bonds "over the counter" to citizens and to call for new tenders on the longer term bonds. It has been the experience of bond men that they can sell bonds from 11 to 20 years maturity much more easily than the shorter term issues. On the other hand treasurers who have sold bonds locally find that their customers want shorter term bonds. The highest bid received for the long term bonds was 98.436, a 5.47 basis. As the short term bonds will be sold at par the city gains a small amount by the deal, but it is a matter of opinion whether the experiment really proved its worth.

Hamilton sold $555,431 of bonds to the Dominion Securities Corporation and will sell about $178,000 over the counter.

Bids on the issue were:

Dominion Securities Corp	98.436
Wood, Gundy & Co.	98.185
R. C. Matthews & Co.	98.31
A. E. Ames and A. Jarvis & Co.	97.908
Gairdner, Clarke & Co.	97.71
Harris, Forbes & Co., McLeod, Young, Weir & Co., National City Co. and Nesbitt, Thomson & Co.	97.639
C. H. Burgess & Co. and MacNeill, Grahame & Co.	97.31

City of Sherbrooke P. Q., has sold $330,000 of 5 per cent. 30 year bonds and $115,000 of 5 per cent. 40 year bonds to Rene T. Leclerc and Wood Gundy and Co. at 92.38 a 5.51 per cent. basis. Tenders were:

Wood, Gundy & Co. and Rene T. Leclerc	92.38
Nesbitt, Thomson & Co.	92.36
National City Co.	91.76
Dominion Securities Corp.	91.51

Two Ontario County Sales

County of Norfolk, Ontario, borrowed at a 5.44 per cent. basis by selling $35,000 of 5½ per cent. 20 instalment bonds to Wood, Gundy and Co. at 100.54. Bids were:

Wood, Gundy & Co.	100.54
Imperial Bank	100.28
Canada Bond Corp.	100.13
R. C. Matthews & Co.	99.90
Sterling Bank	99.77
Gairdner, Clarke & Co.	99.30
Municipal Bankers Corp.	99.65
Gairdner, Clarke & Co.	99.63
Nesbitt, Thomson & Co.	99.60
Harris, Forbes & Co.	99.39
National City Co.	99.17
Dominion Securities Corp.	99.03
C. H. Burgess & Co.	98.59
W. C. Brent & Co.	98.08

County of Brant sold $175,000 of 5½ per cent. fifteen instalment bonds to Wood, Gundy and Co., at 100.117, a 5.48 per cent. basis. Tenders were:

Wood, Gundy & Co.	100.117
A. Jarvis & Co.	99.62
MacNeill, Grahame & Co.	99.53
Canada Bond Corp.	99.431
Harris, Forbes & Co.	99.393
R. C. Matthews & Co.	99.39
Miller & Co. and Macneill, Dominion Securities Corp.	99.281
Sterling Bank	99.18
National City Co.	99.14
McLeod, Young, Weir & Co.	99.11
Canada Trust Corp.	99.079
Municipal Bankers' Corp.	98.90
C. H. Burgess & Co.	98.77
W. C. Brent & Co.	98.43

Village of Point Edward, Ontario, sold $1,7,000 of 6 per cent. 20 instalment bonds to C. H. Burgess and Co. at 104.56, a 5.48 per cent. basis. Tenders were:

C. H. Burgess & Co.	104.56
A. E. Ames & Co.	104.19
Brent, Noxon & Co., Gairdner, Clarke & Co.	103.375
McLeod, Young, Weir & Co.	103.
Wood, Gundy & Co.	102.91
R. C. Matthews & Co.	102.43
Municipal Bankers Corp.	102.18
Harris, Forbes & Co., Nesbitt, Thomson & Co.	101.262
MacNeill, Grahame & Co.	100.07

Irrigation Bonds to U. S.

An American syndicate, comprising the Seattle National Bank, Carsten and Earles, Union Trust, Spokane, and Murphy, Fevre and Co., bought the bonds of the United Irrigation District of Alberta. The issue consisted of $450,000 of 5½ per cent. 30 year bonds guaranteed by the Province of Alberta. The tenders received were:

Seattle National Bank, Carsten & Earles, Union Trust Co., Murphy, Fevre & Co.	102.227
Wood, Gundy & Co., and Dominion Securities Corp.	99.35
R. C. Matthews & Co.	99.17
Gairdner, Clarke, & Co	98.57
A. E. Ames & Co.	98.08
Grahame & Co.	98.07

May Bond Sales

Canadian permanent borrowings in May totalled $36,667,184 bringing the total for the year to date to $251,717,763. The record is as follows:

Provincial	$6,234,000
Municipal	11,878,084
Corporation	16,765,000
Railway	1,790,100
	$36,667,184

Year to Date

January	$27,551,582
February	17,277,940
March	25,822,054
April	144,399,023
May	36,667,184
	$251,717,763

Municipal Borrowing Is Heavy in the States

May is always an active month in the United States municipal bond market. Borrowings by States, counties, cities and smaller municipalities reaches large proportions in that month, since it is the beginning of a long period of open weather when important construction work is gotten under way and must be financed. This year, we learn from a report issued by the daily bond buyer, of New York, May financing for public works reached the huge sum of $111,641,648, which is almost fifty per cent. in excess of the May, 1921, total. Municipal bonds issued during the first five months of the current year aggregate $546,448,752 as against $387,529,890 in the corresponding period of last year. Apparently, the 1921 record total of over $1,400,000,000 of new State and municipal bond issues is going to be at least equalled by the borrowings of the current twelve months.

TENDERS AND BY-LAWS

TENDERS WANTED

June 12, Amherstburg.—$17,252 6 per cent. 10-instal. debentures. W. A. McCormick, Town Clerk. (See announcement on page 16.)

June 20, Ford City.—$63,000 6 per cent. 20-year debentures. J. F. Foster. Treasurer, Ford City. (See announcement on page 16.)

June 10, Pointe Claire, Que.—$12,500 6 per cent. 25-year debentures. Albert Daignault, Assistant Town Clerk.

June 10, Harwich Township, Ont.—$28,642 6 per cent. 10-instal. debentures. G. W. Riseborough, Clerk, Blenheim, Ont.

BY-LAWS PASSED OR DEFEATED

Weston.—$115,500 for erection of a school. Passed by the ratepayers on June 3.

Brockville.—$40,000 for rebuilding of Athens High School, defeated by the ratepayers on June 5.

SASKATCHEWAN

The following is a list of authorizations granted by the local government board from May 22nd to May 29th, 1922:

School Districts.—Bond City, $3,750; Concordia, $800; Redwood, $2,200; Empire, $4,500; Rosetown, $24,000.

Town.—Radison, $6,000.

City.—Saskatoon, $89,603.

The following is a list of debentures reported sold from May 22nd to May 29th, 1922:

Schools.—Lancaster, $2,000, 10 years, 8 per cent., C. C. Cross & Co., Regina. Wheat Plains, $3,000, 10 years, 7¾ per cent., Regina P.S. D. No. 4 Sinking Fund. Yorkton, $15,000, 20 years, 7 per cent., C. C. Cross & Co., Regina. Wyatt, $3,500, 10 years, 8 per cent, Geo. Moorehouse, Regina. Pinkham, $1,500, 10 years, 7½ per cent, J. R. Bunn, Victoria. Indian Head, $3,000, 5 years, 7 per cent, J. Tuffnell, Indian Head. Centre View, $4,000, 15 years, 7½ per cent., Regina P.S.D. No. 4 Sinking Fund. Glengarry, $2,500, 15 years, 8 per cent, Bond & Debenture Corp., Winnipeg.

City.—Regina. $5,700, 15 years, 7 per cent., various.

Village.—Dafoe, $3,200, 10 years, 8%. C. C. Cross & Co., Regina.

BRITISH COLUMBIA

The following certificates have been issued by the Municipal Department of the Province of British Columbia, from March 25 to May 26:

Cranbrook.—School debenture by-law, 1922, $40,000, payable in 20 years, interest 6½ per cent.

Delta.—Delta waterworks extension by-law, 1921, $20,000, payable in 20 years, 6 per cent. East Delta dyke and drain repair by-law, 1921, $23,233, payable in five years, 6 per cent.

North Vancouver.—Debenture by-law 1921. $12,000, payable in 20 years, 5½ per cent.

Kamloops.—By-law No. 334, for the extension, construction and equipment of a sewer system, $35,000, payable in 20 years, 6 per cent.

New Westminster.—Water works debenture by-law 1922, $200,000, payable in 20 years, 6 per cent.

Salmon Arm.—By-law No. 123, for the construction of a cement sidewalk, $1,200 payable in 10 years, 7 per cent.

North Vancouver.—School loans consolidation by-law, 1922, $11,030, payable in 20 years, 6 pe rcent.

District of Summerland.—Irrigation loan by-law, 1922, $55,000, payable in 15 years by instalments, 6½ per cent. School buildings loan by-law, 1922, $12,000, payable in 15 years by instalments, 6½ per cent. Electric light loan by-law, 1922, $26,000, payable in 20 years, 6½ per cent.

INVESTMENTS ARE IN THE BALANCE IN GAS DISPUTE

Medicine Hat and Redcliffe Fight Any Diversion of Supply

From Our Own Correspondent.

EDMONTON.—Financial and industrial considerations are directly involved in a case now before the Alberta Government in conection with a new natural gas supply for Calgary. That city is seeking the right to tap the Redcliffe gas field, which will necessitate the laying of some 37 miles of pipe to connect with its main pipe line, and the Government holds the whip hand by reason of its power to grant or refuse permission to cross road allowances with such piping. The Calgary application is being strongly opposed by Redcliffe and Medicine Hat, which claim that their existence as industrial centres would be endangered by any diversion of the local gas supply.

Manufacturing establishments in the two centres represent a capital investment, it is stated, of about $6,000,000, and in every case these industries were attracted there by the cheap gas fuel. The supply of that fuel is not inexhaustible, and to pipe any of it to Calgary would, it is claimed, spell almost certain disaster to the industries already located and would quite certainly keep new industries from coming in. Medicine Hat, too, is interested from a municipal point of view, having made a profit of $92,000 last year from the twenty-two gas wells within its bounds.

The town of Redcliffe has notified the Government that with its gas supply diverted to an outside market its one asset would be imperilled and it would have to default its municipal and school indebtedness of nearly $500,000.

The Other Side of It

Calgary's argument is that it needs an additional supply of gas and that the same rule should hold in Alberta as in the United States and Ontario, where the natural gas is held for the use of the entire territory adjacent to it and not for any particular portion of it.

Pending a definite policy in the matter, the hint has been thrown out by the Government that steps may be taken to withdraw natural gas in an part of Alberta from industrial use and reserve it for domestic purposes only.

Alberta Will Borrow $3,500,000 in July

From Our Own Correspondent.

EDMONTON.—A debenture issue of $3,500,000 will be made by the Alberta government in the early part of July. It will be on a 30-year, 5 per cent. basis. About $1,500,000 of the amount will be for refunding, and the balance will go to the government's public works program and general purposes.

The interest rate on Alberta provincial savings certificates will be reduced July 1st from 5 per cent. to 4½ per cent. in accordance with the declining bond yield values in the money market. The total issue of savings certificates outstanding at present is $4,185,850.

Edmonton Passes Some By-Laws; Kills Others

From Our Own Correspondent.

EDMONTON.—New building projects at public charges have been approved at the polls of the burgesses of this city to the extent of $37,500 for a new public library and $175,000 for an additional public school building. The former vote of municipal funds will be supplemented by a grant of $75,000 from the Carnegie Foundation, and with the combined building fund a fully modern library will be erected on Macdonald Drive, work to begin at once. The main branch of the library is now housed in the city hall.

By-laws for a number of other proposed improvements were defeated in the recent voting. These included $75,000 for power plant extensions and $250,000 for additions to the municipal telephone equipment. The ratepayers were against any further expenditures of this kind, but the civic administration say they will have to be brought up again if the city is to keep pace with the demands for utility service being made upon it.

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES

Date	Place	Sold To	Rate	Term	Amount	Price	Basis
June 7	Sherbrooke, P.Q.	Wood, Gundy & Co. and Rene Leclerc	5 %	30 & 40	$445,000	92.38	5.51
June 6	Hamilton, Ont.	Dominion Securities Corp.	5 % & 5½ %	20 in.	555,431	98.436	5.47
June 5	Hamilton, Ont.	Locally	5½ %	10 in.	178,809	100	5½
June 3	Peterboro, Ont.	Locally	6 & 6¼ %	20&30yr.	20,583	—	5.60
June 3	Lauzon, P.Q.	J. B. Couture, Lauzon	6 %	10 yr.	40,000	99.75	6.07
June 3	Chicoutimi, P.Q.	Provincial Securities	5½ %	30 in.	200,000	—	—
June 2	Brant County	Wood, Gundy & Co.	5½ %	15 in.	175,000	100.117	5.48
June 2	Point Edward, Ont.	C. H. Burgess & Co.	6 %	20 in.	17,200	104.56	
June 1	Sask. Schools and Villages	Various	—	—	43,400	—	—
		CORPORATION					
June 3	Carleton House, Ltd.	W. F. Mahon & Co., Halifax	6½ %	20 yr.	79,000	—	—
June 3	Transportation Bldg.	Geo. H. Burr & Co., New York	7 %	25 yr.	1,000,000	—	—
		PROVINCIAL					
June 2	United Irrig. Dist.	Seattle National Bank	5½ %	30 yrs.	450,000	102.227	

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MONTREAL
Canadian—Strong—Progressive
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The Leading Life Company of the Dominion
Assurances In Force - $550,000,000
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Head Office: Montreal

The Independent Order of Foresters
Organized 1874
TOTAL BENEFITS
Paid to Members and their Beneficiaries
$74,000,000.00
POLICIES ISSUED FROM $500 TO $5000
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YOUR FAMILY, YOUR HOME, YOUR BUSINESS,
—Demand Adequate Protection—

A healthy man, thirty-five years of age, earning $1000. per annum is worth to his family in money, as an income producer, at least $17,500. That is—when he dies, the family loses in potential wealth $17,500. An income of $1000 at earlier ages than 35 is worth more; at later ages less. Your estate, including the life insurance that you carry, probably does not nearly equal the present value of your income. In view of this, should you not increase the protection you are at present carrying? Mutual policies give maximum protection at minimum cost. It is of course not practicable to carry insurance sufficient to replace entirely the income received during the assured's life-time. But every effort should be made at least to guarantee to the survivors a home with a reasonable standard of living.

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WATERLOO ONTARIO

Safeguard your family's future with an Imperial Home Protection Policy
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IMPERIAL LIFE ASSURANCE CO.
OF CANADA
HEAD OFFICE TORONTO

Accident and Sickness
Automobile (Non-tariff)
We issue the most up-to-date policies, and give every policyholder a highly considerate service.
Test the truth of this with your next policy.
MERCHANTS CASUALTY COMPANY
(DOMINION LICENSED)
WINNIPEG : TORONTO : MONTREAL

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When selecting a Trust Company as an Executor choose one whose fixed policy is to give
FINANCIAL ASSISTANCE
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PAID UP CAPITAL AND RESERVE $1,212,725
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Canadian Executive Offices
Royal Bank Bldg., Toronto, Canada

INSURANCE AND REAL ESTATE

NUMBER OF FIRMS WHO INSURE THEIR OFFICERS GROWING

Business Executives Are Of Greater Insurance Value Than Plant Furniture

By F. W. White,
Canada Life Assurance Company.

"Why insure the desk and not the man?" That question faces every company who fails to carry business insurance on their executives. A business is very often the shadow of some great man or a few men. Without these men there would be no business. It is simply a matter of good judgment to insure any person or anything of value to the company and not confine insurance protection to the furniture and plant. But many business firms load on all the fire insurance they can carry on their property to protect them against a fire that may never occur, and pass up their valuable men upon whom the operation and success of the business depend.

The Men Behind the Business

Carnegie expressed well his value of the men in his business when he stated, "take away my factories, railroads, ships and transportation—leave me my men—and in two or three years at the most I will have them all again." In nearly every instance the important executives of any concern—whether a business or an institution—must have a financial value to that concern greater than the income they draw from it. That excess value, which cannot easily be determined in dollars and cents, should be covered as far as possible by life insurance.

In the make-up of a corporation we find that the actual management of the business lies in a few hands. The mainspring back of them again may be found to be a president or general manager. Without these capable men the directors would be helpless and the stock holders would be without dividends. Surely these men are of greater insurance value than the furniture or plant.

Sometimes we find a one-man corporation dependent upon one life only for its success—the life of the man who directs its whole operation and guides its course while he lives. There may be no efficient man in line to take his place. His money is absorbed in the business. If he should die the business would immediately be jeopardized and his heirs as well as the shareholders would suffer thereby.

Such a man should build under him an organization that could carry on the business in event of his death and, he should have a substantial amount of insurance taken on his life and made payable to the business. It is not enough to simply build up an efficient organization that could run itself without him. He may train men to follow in his place when he goes. But he who has built up a successful business and who has dealt with the emergencies and has solved the problems that have arisen is surely a life that is most valuable to the business and not easily replaced. There may be other men to step into his place later on but, so long as he lives, the business has his ripe experience and knowledge to draw upon. Then, when he passes on, a substantial business insurance fund will at least pay some indemnity for his loss and will assist in maintaining credit and in helping the matters of re-adjustment and replacement as nothing else can do.

Applied to New Corporations

Frequently, with new corporations the prospect of success depends in a great measure upon one man. The conditions may be favorable yet the enterprise is speculative to the extent that the life of the essential man is an indeterminate factor. His technical or financial ability may be the chief asset of the business, and his early loss would probably cause the collapse of the enterprise.

It is not uncommon to see the prospectus of a newly organized company offering an issue of its stock to the public, and, as an inducement to buyers, enlarging upon the great capabilities of their president or manager or other executives who are to direct the business. But they fail to state whether any provision is made to safeguard the business in event of the death of their essential men.

Many companies do, however, place the proper value upon the lives and abilities of their important executives. We have before us the prospectus of a company in Minneapolis, showing that they recognize the value of carrying business insurance upon the lives of their important men. In the prospectus of the Progressive Shoe Machinery Company, in which they offer an issue of preferred stock, we find under the heading "management," the following:

"As a safeguard to the preferred shareholders, corporation life insurance on the executives to the amount of $50,000, payable to the Minneapolis Trust Company, to be used entirely to retire the outstanding preferred stock, will be maintained."

Credit

When a business man asks for a loan, he would not think of offering property as collateral without fire insurance to indemnify in case of loss. But credit is frequently asked for and granted to business concerns without life insurance to cover the factor that is necessary to all credit transactions—the life or lives of those in charge. This condition is rapidly undergoing a change, and the need of life insurance to safeguard credit is becoming more widely recognized by banks, financial circles and mercantile houses and of creditors in general.

Business men should realize the increasing value of life insurance in safeguarding and maintaining credit. Just as soon as the first premium payment is made there is added to the business an asset that must be reckoned with. Immediately a fund is created which will be ready at once for a crisis that may be long delayed or may come at any moment. So far as that particular crisis goes, the completed fund is at once established. At the same moment a new security is added to the business. Certain possibilities of danger are wiped out and the credit standing of the business is so much the stronger.

It may be that no man is indispensable in any business, and yet we know that there are men whose loss is very difficult to replace. While business insurance cannot replace the brains or energy which have departed or bring back the personality, it can at least serve to take up some of the financial slack and help to carry on the business without financial sacrifice to anyone.

BIG OFFICE BUILDING BONDS OF $1,000,000

Largest in Montreal and Guaranteed by Lyall Co., Underwritten by New York Firm

From Our Own Correspondent.

MONTREAL.—The issue of $1,000,000 guaranteed sinking fund mortgage gold bonds of the Transportation Building Co. of Montreal, has been underwritten by George H. Burr & Co., of New York, and is being offered to the public at par to yield 7 per cent. These bonds are dated May 1, 1922, and mature in 25 years, on May 1, 1947. Principal and interest are payable in New York funds, and the bonds are guaranteed unconditionally as to principal, interest, and sinking fund, by the P. Lyall & Sons Construction Co., who have held these bonds for some years as part payment for the construction of this office building.

In a letter dealing with these bonds, Wm. Lyall states that the Transportation Building Co. holds 99-year lease of the site, and estimates the value of the property at $2,630,371. It is declared to be the largest office building in the city. Dealing with the earnings on this building he says: "After all taxes, leasehold payments and operating expenses, the average annual income from rentals (which are steadily and substantially increasing through maturity of low priced leases) for the past four years have been in excess of the amount necessary to pay all annual interest and sinking fund charges on these bonds. Net profits from rentals after all charges for the year ending April 30, 1922, applicable to these bonds is shown by the auditor's statement to be $124,300."

CONSTRUCTION WORK EXPANDED IN MAY

Total Figures Make Best Showing With One Exception of Any Month Since 1914

During May, construction contracts awarded in Canada, according to MacLean Building Reports Limited, amounted to $34,827,300 compared with $29,428,400 in April and $26,859,500 in May 1921. This is the second largest monthly figure on record since 1914. Residential building accounted for 45% of the May total and amounted to $15,633,500. Business building amounted to $11,516,000 or 33.1% of the total; industrial buildings $801,500 or 2.4% public works and utilities $6,876,300 or 19.5%. The value of contemplated new work during May was $28,871,500.

The trend of building costs is still slightly downward. During April, the wholesale price index of 48 building materials declined four-fifths of one per cent. and is now 78.3% above 1913 compared with a peak of 183.8% reached in May 1920. Prices have now declined 59.3% from the high. Manufacturers and others who control factors of building cost would make a serious mistake to attempt any price increase at this time. Profits must be taken on volume of business, and in so doing no barriers to progress will be raised.

BRIGHT OUTLOOK FOR LARGE OFFICE BLDGS.

Rents Must Go Up and Financing by Bond Issue Now Safe Says Bond Expert

Rents in the class of building big enough to justify bond financing are by no means going down, is the opinion of Hew R. Wood, head of the firm of Hew R. Wood, Company, of Montreal. With the exception of places where extra high rentals were fixed for leases made at the peak period, rentals on big buildings are more likely to go upwards. The investment of real estate bonds has proved so sound that such bonds are being admitted as legal for savings banks and trust companies to invest in. The undoubted rapid growth of Canadian cities is in Mr. Wood's opinion the surest proof of the steady development of real estate investment as reflected in the financing of big buildings by bond issues.

"Many different ideas are in being relative to the financing of building projects in Canada," said Mr. Wood, in an interview, "but if anyone will give consideration to the problem of financing large buildings they will concede that the larger number of past buildings in the heart of large cities have been erected by corporations such as banks and life and fire insurance companies, the first consideration being the keeping of their name before the public and secondly the securing of satisfactory space in which to carry on their activities and office routine.

"Both of these considerations have a direct bearing upon the financing and financial well being of buildings that are erected and planned in this city for some time to come.

"A great many people figure rents in Montreal are going down, but Montreal is steadily growing—the peak of high rentals only existed for from twelve to eighteen months, and over fifty per cent. of the leases in the city run for from three to ten or more years. The conclusion is that rents on the average will continue to rise steadily and surely—the exceptions to this being of course, the leases or arrangements that were entered into during the high peak period.

"The location of buildings in Montreal has to be studied with far more care in my opinion than would be the case in Toronto as the location of the building has everything to do with its immediate financial success. No building can afford to be so placed that it will take from five to ten years for it to find its place in a community but every building should be financed with provisions for it taking at least a year to secure enough tenants to hold its own.

"The soundness and reliability of real estate investments as shown in these large commercial buildings is amply demonstrated by the hundreds of millions of dollars that are yearly placed in first mortgage securities on such buildings. So sound are these securities that a recent issue in Montreal was admitted as legal for savings banks and trust companies in one of the American states.

"There is no doubt in my mind but that the future of building construction is intertwined very closely with this method of financing, and a look forward will show the most conservative that Canada is bound to grow quickly and that this growth means the building up of its cities in steady and progressive manner for years to come."

REINSURANCE COMPANIES

Only Two Companies Prior to 1914 On the Continent, Five Now

In connection with the establishing of the Reinsurance Company of Canada, at Waterloo, Ontario, it may be asked: What is reinsurance? Every life insurance company receives application in excess of the amount it wishes to carry on a single risk. For smaller companies the limit of risk on one life is usually $10,000. The larger and older companies retain larger amounts, although few in Canada carry in excess of $25,000. The great expansion of the life insurance business and especially the marked tendency towards larger policies and business insurance, have created a demand for reinsurance facilities which have not been fully met.

Prior to 1914 the only companies doing an exclusive life insurance business on the continent were two German companies at Hartford, Conn. Since that time two other re-insurance companies have been organized in the United States. The Reinsurance Life of America, Des Moines, organized August, 1918, did over $16,000,000 in 1920, having $21,000,000 in force at the end of two years. The American Life Reinsurance Company, Dallas, Texas, organized March, 1919, secured over $5,000,000 new business during that year, $15,000,000 in 1920, and closed 1921 with $27,000,000 life and over $14,000,000 double indemnity reinsurance in force.

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LIFE ASSURANCE COMPANY
Head Office: 701 Somerset Bldg., Winnipeg, Man.
Men of proven ability would do well to write for particulars of the Agency Contract the Company is prepared to offer. Several District Managers required to cover exclusive good territory at a number of Western points.
Branch Offices:
Saskatoon Calgary Vancouver
WILLIAM SMITH
Managing Director

Western Assurance Company
Fire, Marine, Automobile, Explosion, Riots, Civil Commotions and Strikes Insurance.
Incorporated 1851
HEAD OFFICE, TORONTO, ONT.
Losses paid since Organization $64,000,000.00
BOARD OF DIRECTORS: W. B. Meikle, President, Wilfrid M. Cox, Vice-President, Sir John Aird, Robert Bikerdike (Montreal,) Lt.-Col. Henry Brock, Alfred Cooper, (London, Eng.) H. C. Cox, John H. Fulton (New York,) D. B. Hanna, Miller Lash, Geo. A. Morrow, Major-Gen'l Sir Henry Pellatt, C.V.O., E. R. Wood.

British America Assurance Co.
Fire, Marine, and Automobile Insurance
HEAD OFFICE - TORONTO
BOARD OF DIRECTORS: W. B. Meikle, President and General Manager; Wilfred M. Cox, Vice-President; Sir John Aird, Robt. Bickerdike, (Montreal), Lt.-Col. Henry Brock, Alfred Cooper (London, Eng.), H. C. Cox, John H. Fulton, (New York), D. B. Hanna, Miller Lash, Geo. A. Morrow, Major Gen'l. Sir Henry Pellatt, C.V.O., E. R. Wood.
Losses Paid Since Organization, over ...$52,000,000.00

WESTERN HOMES
Limited
WINNIPEG, MAN.
Capital Authorized ..$5,000,000
Capital Subscribed... 1,700,000
Mortgage Investments
Available shares afford a safe and profitable investment for savings. For full particulars write the Company's Office, Confederation Life Building, Winnipeg.

THE
CANADA NATIONAL FIRE
INSURANCE COMPANY
HEAD OFFICE, WINNIPEG, MAN.
TOTAL ASSETS $2,792,662.00
TORONTO, 24 Adelaide St. W.
W.H. George, Superintendent of Agencies

The Mercantile Agency
R. G. DUN & CO.
Consult us before extending credit or if customers are delinquent.
Canadian Offices:
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Colonial Bond

Selecting Paper
With an Eye to Fitness

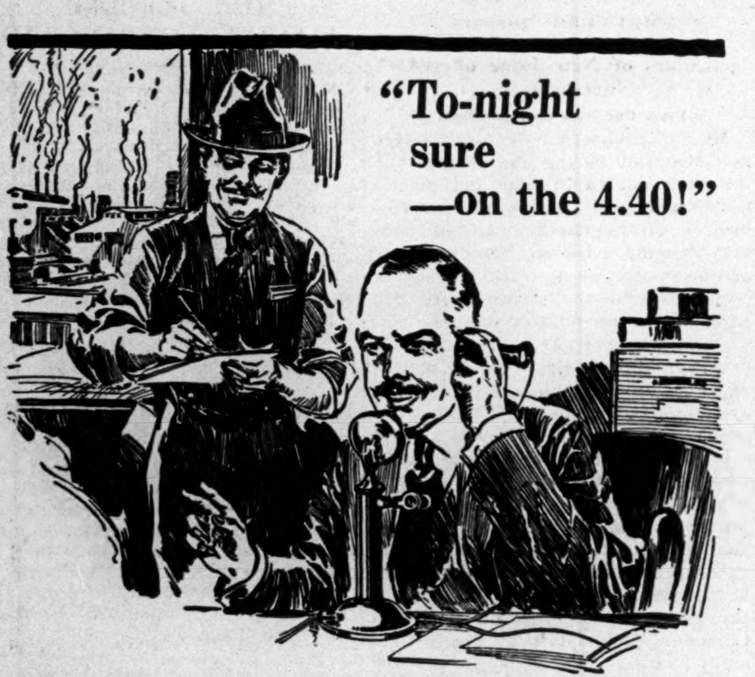
Commercial stationery—like clothing or furniture—should be chosen with equal consideration as to style, coloring and value.

The appearance of your business letter is just as important as your own personal appearance.

"COLONIAL BOND" is a superior, tub-sized, rag content stock with that finish—that appearance of quality which proclaims its fitness for many commercial purposes. It is made in white and colors by The Rolland Paper Company, Limited, Montreal — makers also of "Superfine Linen Record," "Earnscliffe Linen Bond," "Empire Linen Bond," and "Mount Royal Bond."

Your enquiry brings a sample by return mail.

The "R Shield" Watermark


"To-night sure —on the 4.40!"

For the Quick Service
that brings repeat orders

"Let me get him on Long Distance, and I'll soon settle this," says the shrewd business man, as an emergency arises.

His personality, with the persuasive tones that helped him build up his business in the old days, is still the greatest force at his command. It seldom fails to bring the needed results.

Long Distance permits him to retain that personal contact and influence with men in distant places on which his success was built. "If one of our travellers fails to secure an important order, he gets me on Long Distance before the interview is over, and I nearly always land it."

The power of Long Distance as a business-getter is only beginning to be appreciated. "Use the Bell to Sell", and see how economically it produces results.

Every Bell Telephone is a Long Distance Station

THE BELL TELEPHONE COMPANY OF CANADA

BETTER FEELING ALL AROUND BUILDING INDUSTRY LATELY

Wm. Lyall Says Labor is Now "More Amenable to Reason"

CO. SEES "DAYLIGHT"

Lyall Shareholders Approve of Sale of $1,000,000 Bonds—T. O. Lyall Returns as Vice-President

From Our Own Correspondent.

MONTREAL.—An encouraging statement that covers construction generally was made at the annual meeting of the shareholders of P. Lyall & Sons Construction Co., on Tuesday of this week by the president, Wm. Lyall. There was an upward movement, he said, and labor was "more amenable to reason," "It is a great pleasure to see men working as they are to-day," he added, "This is due to some extent to the fact that several men are looking for the other man's position. We are getting good production in everything and there is a better feeling all around." The improvement in the condition of labor reduced costs of construction apart altogether from the cost of materials.

Going into details, Mr. Lyall mentioned as an illustration that during the scarcity of men they would lay often only 400 to 500 bricks a day, where before the war they would lay as many as 2,000 a day. Prese conditions in this respect were quite satisfactory.

Speaking of his own company Mr. Lyall stated that the outlook was much more promising. The company had received quite a few new contracts and could now "see daylight."

The election of directors was marked by the return of T. O. Lyall, a brother of Wm. Lyall, to the board, replacing J. B. Caine as vice-president. Two other members were chosen, James Ballantyne, in place of C. H. Allen, and Robert Whyte, secretary of the company, in place of the late General E. W. Wilson.

Following the regular meeting, a special one was held at which the sale of the $1,000,000 issue of Transportation Building Co. bonds was ratified. These have been underwritten by a New York financial house, and will provide the Lyall company with necessary working capital. These bonds had been held in the treasury for the past ten years, and interest paid by the Transportation Co., regularly. The Lyall company guarantees the bonds and to cover this point the following clauses were passed extending the powers of the company, which will be done by supplementary letters patent:

Chances to Sell Bonds

"(r) To lend money to customers and others having dealings with the Company and to guarantee the performance of contracts by any such persons;

(s) To raise and assist in raising money for, and to aid by way of bonus, loan, promise, endorsement, guarantee of bonds, debentures or other securities or otherwise, any other company or corporation and to guarantee the performance of contracts by any such company, corporation or by any other person or persons with whom the Company may have business relations;"

In referring to the "safety" of the guarantee of bond interest the president stated that the Transportation Co. have received this year an increase of $30,000 in their earnings.

NEW COMPANY IN CONTROL

London and Lancashire Secures Majority Interest In Merchants Fire

The London and Lancashire Insurance Company, by purchasing a majority stock interest, has assumed control and undertaken the direction and management of the affairs of the Merchants' Fire Insurance Company. The latter organization, however, will retain its name and continue to be operated as a separate company, but in the future it will do business as a tariff company. The officers of the subsidiary will be Alfred Wright, president; A. E. Blogg, secretary and Fred B. Wythe, formerly assistant-general manager with the Merchants Fire, now general manager. An officer of the company discussing the transfer, said that the position of the policyholders would be improved, as there are now $50,000,000 of assets, as against $2,000,000, backing their policies.

In the past the Merchants Fire have conducted a large business, and its premium receipts last year totalled $800,000 and estimates based on the business to date places the total for the present year at $1,000,000. According to the statement for 1921, net profits from the year's operations amounted to $124,408. A dividend of 10 per cent. was declared on the paid-up capital. The amount at risk stood at $106,458,876, and the policies in force numbered 79,504.

CANADIAN VICKERS IN MINING MACHINERY

Former Shipbuilding Plant Will Develop This on Large Scale

From Our Own Correspondent.

MONTREAL.—A development is taking place in connection with Canadian Vickers, so prominently connected with shipbuilding during the war and after, that will mean the manufacture in Canada of large quantities of requirements in mining machinery that heretofore have been imported. The plant at Longue Pointe is well equipped for the manufacture of these lines in an economical manner, with its heavy tools and its excellent handling facilities. Arrangements have been made with several American firms to manufacture many lines of theirs that heretofore they have sent into this country. A special technical organization has been built up to work in cooperation with the engineering staffs of the firms whose lines are being manufactured at the Vickers' works.

It will be remembered that very recently the marine department of Vickers had begun the manufacture of "sea-sleds," a new type of high speed, shallow-draft motor boat, with surface propellers. These have a remarkably high deadweight carrying capacity for given speeds and powers, as compared with the usual type of hull construction and propeller arrangement. It is hoped that the ability of these boats to navigate at high speed in rough water that would swamp a standard type of boat, may solve the problem of transporting men and supplies to isolated prospects or construction jobs on inland waterways and lakes in all weathers, and the shallow craft and surface propellers will permit navigation of streams and rapids that are prohibitive to an ordinary motor boat.

A temporary branch of the Bank of Montreal as usual will be opened in the Canadian Pacific Railway Company's Hotel at Banff, Alta., under the management of J. L. Bray.

"ENERGY"
(TRADE MARK REGISTERED)

Just Real Gasoline

Pure Gasoline Company,
LIMITED

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Your Finances

The Man Who Saves

At age 19 his bills exceed his income.

At Age 21 his Canada Life Policy creates an estate in event of death and saves his money.

At age 35—the age of extravagance—his "bills" include a "premium due," which, while counted as an expense, is really a saving.

At age 50 he can "spend" anything in reason.

At age 60 he has "saved" to some purpose, has no anxiety for the future, and leisure for his many interests.

If you look ahead you can easily picture how useful $30,000 would be to you.

This amount of money can be more easily saved than most people imagine, in this way:

If you were to start in and save $200 each six months and let it compound at 5½%—in 30 years you would have $30,000, but—you know of many people who could have set aside this amount, yet who are still "drudging along," with no hope of relief.

You know yourself how hard it is to save cash. Human nature is such that very few people allow ready money to remain untouched for any length of time. Therefore—

The Canada Life Plan

Provides that any sum you name will be delivered to you in cash at any age you desire, or to your beneficiary should you die in the meantime.

By this plan an IMMEDIATE ESTATE is created in event of death equal to the full face value of your insurance policy. You anticipate years of effort, *capitalize* your present health and earning power, and make certain of many years of progress now.

The Endowment at 65

issued by the Canada Life makes saving money attractive, systematic and very profitable.

You can be certain that the full amount—$2,000, $5,000, $10,000, or more—will be paid in any case, whether you live or not. Other investments may fail—the Canada Life Endowment is a certainty. It will take care of your home, your business, your children's future, or yourself, as nothing else can.

Profits Will Hasten Maturity

If the profits are allowed to remain each year, instead of being withdrawn and spent, a special clause provides that the face value of the policy will be paid some time well in advance of the due date.

Regular saving, an immediate estate in event of death, substantial profits, absolute safety—this is a combination that you should look into today.

Ask for particulars.

Canada Life
Home Office:
Toronto,
Canada

Canada Life Assurance Company,
Dear Sirs—Without obligation on my part, please send me particulars of your "Endowment at 65."
Name ....
Address ....
Born .... day of ....

12

Return of the Chartered Banks of the Dominion of Canada, April 29, 1922.

Made to the Minister of Finance in conformity with Section 112 of the Bank Act, Chapter 9, of the Statutes of 1913.

LIABILITIES

NAME OF BANK	Capital authorized	CAPITAL STOCK		Amount of Reserve Fund	Last Dividend declared	Notes in Circulation	Due to Dominion Government	Due to Provincial Govts	Demand Deposits In Canada	Notice Deposits in Canada
		Capital Subscribed	Capital Paid up							
	$	$	$	$	%	$	$	$	$	$
*Montreal	31,175,000	27,250,000	27,250,000	27,250,000	12	39,624,473	39,769,874	6,762,512	125,254,528	290,906,286
Nova Scotia	15,000,000	9,700,000	9,700,000	19,000,000	16	14,701,365	10,739,266	558,211	30,765,880	108,007,411
Toronto	10,000,000	5,000,000	5,000,000	6,000,000	12	5,769,708	726,493	734,010	24,357,701	44,601,650
Molsons	5,000,000	4,000,000	4,000,000	5,000,000	12	4,775,236	4,411,875	324,804	13,018,344	40,742,983
Nationale	5,000,000	2,052,300	2,005,880	400,000	6	4,514,280	5,727,901	1,410,503	4,929,548	27,618,310
Provinciale	5,000,000	3,000,000	3,000,000	1,500,000	9	2,643,534	165,671	171,085	7,323,764	24,659,135
Union	15,000,000	8,000,000	8,000,000	6,000,000	10	7,891,724	2,956,747	3,590,066	26,283,536	62,444,602
Commerce	25,000,000	15,000,000	15,000,000	15,000,000	12	21,002,884	10,262,613	2,610,376	89,562,568	159,628,347
Royal	25,000,000	20,400,000	20,400,000	20,400,000	12	28,479,352	13,333,251	1,852,308	84,735,838	180,407,268
Dominion	10,000,000	6,000,000	6,000,000	7,000,000	12	6,816,101	5,008,024	2,018,664	24,051,624	66,239,593
Hamilton	7,000,000	5,000,000	5,000,000	4,850,000	12	4,763,681	4,633,749	550,085	13,770,314	41,145,158
Standard	5,000,000	4,000,000	4,000,000	5,000,000	14	4,899,825	1,653,641	560,697	14,490,822	43,326,227
d'Hochelaga	10,000,000	4,000,000	4,0000,00	4,000,000	10	6,007,124	5,164,493	73,401	8,496,016	41,330,302
Imperial	10,000,000	7,0000,00	7,000,000	7,500,000	12	9,851,139	3,212,395	8,374,176	24,274,857	62,571,273
Home	5,000,000	2,000,000	1,959,939	550,000	7	1,600,390	2,661,941	1,152,317	5,807,229	11,718,906
Sterling	3,000,000	1,266,600	1,232,900	500,000	8	1,121,528	3,173,042	1,113,367	4,404,834	11,661,853
Weyburn Security	1,000,000	655,700	524,560	225,000	7	262,132	288,919	6,541	843,396	1,185,958
Total	187,175,000	124,324,600	124,073,279	130,175,000	......	164,724,476	113,889,895	31,863,123	502,370,799	1,218,195,262

NAME OF BANK	Deposits Elsewhere	Loans from banks in Canada	Balances due to Banks in Canada	Due to Banks in the U. K.	Due to Banks Elsewhere	Bills Payable	Acceptance under letters of Credit	Other Liabilities.	Total Liabilities	Loans to Directors	Average Gold and Coin Held	Average Dominion Notes Held	Greater Amount Notes in Circulation
	$	$	$	$	$	$	$	$	$	$	$	$	$
*Montreal	81,735,204	....	44,909,325	242,647	2,817,669	2,308,481	2,249,683	1,391,207	597,971,895	1,183,274	30,891,126	64 161,903	41,534,373
Nova Scotia	29,958,865	....	457,628	103,398	1,210,015	609,070	268,227	13,917	197,393,260	1,167,069	9,807,854	7,526,109	15,176,401
Toronto	....	....	155,725	70,234	692,458	....	383,177	2,705	77,493,864	372,059	987,272	6,558,759	6,170,630
Molsons	....	....	169,616	6,251	94,646	....	208,565	500,274	64,252,598	292,957	589,534	2,610,126	5,076,416
Nationale	6,260,974	....	....	399,562	235,183	400,000	....	130,354	51,626,619	157,818	484,900	1,343,100	4,634,645
Provinciale	....	....	....		12,535	....	....	440,471	35,416,196	....	159,301	197,648	2,920,409
Union	5,644,380	....	217,834	6,303,544	2,182,099	....	1,997,090	22,344	119,533,971	1,078,658	1,136,194	6,185,554	8,142,024
Commerce	35,647,023	....	573,612	2,035,421	11,189,694	532,795	5,392,265	9,390	338,446,995	1,466,464	16,585,000	22,523,000	22,486,890
Royal	115,752,791	....	1,281	92,154	13,028,018	1,949,061	5,202,047	21,468	444,854,843	720,702	12,507,941	17,343,435	29,937,831
Dominion	4,525,906	....	926,217	282,856	840,555	286,951	176,230	430,195	111,602,921	559,128	2,131,000	5,553,000	7,279,446
Hamilton	....	....	117,224	198,568	331,957	....	173,982	....	65,684,721	648,036	891,522	1,898,678	5,002,276
Standard	....	....	1,483,104	180,496	1,015,173	335,208	35,245	174	67,980,616	68,978	1,170,963	3,453,340	5,054,120
d'Hochelaga	....	....	1,031	18,759	181,777	....	24,195	....	61,297,103	257,500	513,550	2,022,678	6,133,934
Imperial	....	....	543,002	12,486	491,554	....	100,700	....	109,431,586	127,037	1,788,034	10,134,643	10,576,787
Home	....	....	1,447	333,363	994,921	....	....	6,028	24,276,546	235,177	227,320	945,517	1,718,795
Sterling	....	....	157,211	....	....	....	15,447	1,349	21,648,633	233,796	77,715	756,751	1,224,541
Weyburn Security	....	....	....	....	14,286	....	....	42,494	2,643,727	57,176	18,304	113,805	284,222
Total	279,525,143	....	9,714,257	10,279,739	35,332,540	6,421,566	16,226,853	3,012,370	2,391 556 095	8,625,829	80,507,530	153,328,046	173,353,730

*An amount of $2,864,000 Bonds of the Merchants Realty Corporation secured on premises leased to the Bank in the hands of the public. These bonds do not appear in the above statement, as the Bank is not directly liable therefor—Foot-note to Bank of Montreal return.

ASSETS

NAME OF BANK	Current Gold and Subsidiary Coin	Dominion Notes	Deposit for note circulation	In Central Gold Reserves	Notes of other banks	Cheques on other banks	Balance due from banks in Canada	Due from banks in United Kingdom	Due from Banks elsewhere	Government securities	Canadian municipal, British and foreign securities	Railway and other bonds and stocks
	$	$	$	$	$	$	$	$	$	$	$	$
Montreal	30,672,853	64,191,098	1,620,000	18,000,000	3,895,995	27,492,793	122,015	4,847,909	8,943,442	38,232,860	25,277,329	5,300,963
Nova Scotia	9,633,021	10,956,736	487,815	5,750,000	2,611,608	8,573,930	9	276,042	2,655,097	27,126,608	7,797,366	6,035,349
Toronto	989,947	7,365,529	262,479	1,500,000	518,585	3,209,921	....	....	724,451	10,971,653	1,626,043	264,619
Molsons	583,818	2,702,900	205,000	1,500,000	585,783	2,919,880	5,271	13,096	738,291	7,589,201	1,269,835	1,119,613
Nationale	486,756	2,557,815	100,000	2,900,000	378,391	2,151,850	2,783	....	934,529	16,194	6,756,167	779,878
Provinciale	172,547	249,248	157,825	....	407,488	1,665,654	4,129,005	81,459	101,078	5,167,426	3,619,034	977 451
Union	1,248,865	8,304,130	395,000	700,000	724,363	4,863,601	58,642	2,168,979	3,529,459	13,605,058	7,937,125	3,228,742
Commerce	10,936,279	17,691,374	800,000	10,000,000	3,837,439	13,671,282	146	440,577	14,459,223	26,289,633	6,188,635	6,210,164
Royal	12,837,758	20,773,397	985,000	10,000,000	23,109,132	22,784,368	3,017	3,650,386	22,488,519	25,429,661	6,743,912	13,645,888
Dominion	2,142,050	5,234,358	305,000	1,500,000	783,607	4,221,468	1,992	110,212	1,288,385	18,547,431	1,681,587	1,620,454
Hamilton	910,063	3,355,593	250,000	500,000	560,904	2,399,466	682,606	33,328	632,741	6 075,930	2,710,143	378,999
Standard	1,720,055	4,157,283	200,000	1,500,000	416,910	2,876,641	100,000	103,909	534,336	8,878,278	1,752,659	1,198,167
d'Hochelaga	533,540	2,142,278	200,000	2,200,000	890,486	2,418,089	379,219	46,880	402,868	4,500,583	2,675,393	117,982
Imperial	1,802,073	12,804,066	369,040	4,002,533	998,045	5,680,686	397,580	262,052	2,013,825	14,153,700	1,479,770	857,016
Home	253,188	1,710,901	108,000	....	235,214	708,271	100,000	48,903	450,193	2,660,745	277,762	1,840,763
Sterling	75,213	2,089,363	66,000	....	175,509	764,464	5,000	27,593	300,073	10,413,247	1,384,993	303,423
Weyburn Security	18,138	115,513	22,861	....	21,247	13,663	310,713	....	50,390	260,048	13,314	....
Total	75,016,164	166,401,582	6,534,020	60,052,533	40,150,706	106,416,027	6,297,998	12,111,325	60,246,900	219,918,257	79,191,067	43,879,471

NAME OF BANK	Call loans in Canada	Call loans elsewhere	Other current loans in Canada	Other current Loans elsewhere	Loans to Provinces	Loans to municipalities	Overdue debts	Real Estate other than premises	Mortgages on real estate sold	Bank premises Less written off	Letters of Credit	Other Assets	Total Assets
	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal	6,598,990	101,790,446	253,398,153	15,836,233	2,470,929	28,032,607	2,289,797	581,007	607,219	10,600,000	2,249,683	*1,276,332	654,328,662
Nova Scotia	8,402,828	11,237,432	98,373,607	14,792,906	....	4,357,341	148,307	43,966	174,277	6,983,936	268,227	244,725	226,931,141
Toronto	6,414,129	523,562	49,813,077	....	....	2,551,781	384,450	....	....	3,567,094	383,177	....	91,070,504
Molsons	6,299,017	....	43,147,548	....	....	1,237,152	474,962	45,130	21,277	3,110,894	208,565	289,068	74,066,310
Nationale	280,872	....	32,462,727	....	....	305,889	570,805	615,746	390,447	2,103,639	....	295,382	54,089,879
Provinciale	5,080,522	....	14,832,895	....	....	1,758,850	395,218	5,500	6,000	1,109,497	311,116	....	40,227,821
Union	3,503,775	1,212,151	66,992,697	5,643,307	1,704,786	4,002,014	356,052	156,534	393,441	2,222,485	1,997,090	52,587	135,000,892
Commerce	16,970,858	20,608,089	169,330,163	23,483,429	2,027,840	13,225,628	654,064	652,989	202,345	7,493,879	5,392,265	51,225	370,617,536
Royal	19,435,441	30,907,702	158,452,871	90,332,555	843,888	8,367,152	392,219	962,605	261,117	10,986,922	5,202,047	125,901	488,721,469
Dominion	7,901,260	8,015,100	63,567,597	602,620	....	1,069,845	181,190	4,870	16,800	6,231,486	176,230	431,720	125,635,271
Hamilton	6,549,419	....	40,977,675	....	299,478	5,235,136	237,005	692,656	135,795	3,128,807	173,982	333,251	76,252,986
Standard	3,487,942	....	46,615,668	....	....	1,652,599	367,835	130,040	13,100	1,809,094	35,245	53,626	77,603,393
d'Hochelaga	5,722,668	75,000	41,310,686	....	....	1,812,678	490,808	232,564	401,654	3,502,861	24,195	112,113	70,192,553
Imperial	3,964,800	1,800,000	59,151,220	....	1,044,902	7,000,827	352,154	552,616	408,026	5,521,006	100,700	670,117	125,386,764
Home	1,337,846	....	15,641,809	24,038	....	73,884	129,815	87,078	107,738	951,059	....	191,459	26,938,673
Sterling	55,565	....	6,958,730	....	....	94,655	19,860	....	2,732	575,108	15,447	117,243	23,444,226
Weyburn Security	....	....	1,948,209	....	....	124,724	84,712	55,346	13,721	204,219	....	59,552	3,316,378
Total	102,005,932	176,169,482	1,162,975,332	150,715,088	8,391,823	80,902,762	7,529,253	4,818,647	3,155,689	70,101,986	16,537,969	4,304,301	2,663,824,458

Column No. 4. Of this deposit $9,502,533 is in gold coin: the balance is in Dominion notes

*This amount includes $936,000 bonds of the Merchant's Realty Corporation held by the Bank that were not issued to the public.—Foot-note to Bank of Montreal return.

FINANCE DEPARTMENT, OTTAWA, May 22nd 1922

CLIFTON PORCUPINE

One of this Company's largest shareholders, a man well posted in mining affairs, gave us the following reasons the other day for having made his purchase of the stock:

(1) The property is owned outright by the Company, without a dollar of indebtedness against it.

(2) Gold ore of very unusual richness has been opened up in numerous veins.

(3) A complete mining plant, fully paid for, is in daily operation, opening up these orebodies at depth.

(4) The work done on three veins on the first level has placed in sight a substantial tonnage of high-grade milling ore.

(5) Ore of equally profitable grade has now been proven to exist in four veins on the second level.

(6) The management is capable and practical, being composed of men with an intimate knowledge of mining affairs.

(7) The money of the shareholders is being expended in a consistent, businesslike effort to bring the property to the producing stage at the earliest possible moment.

Finally, these efforts are meeting with a splendid success. In brief, the property has passed the raw-prospect stage and is rapidly approaching that of proven mine.

AN ILLUSTRATED BOOKLET

Telling many interesting facts about Northern Ontario's great precious metal wealth, and giving complete details about the Clifton Company, will be sent free on request.

Write For Your Copy Today

HOMER L. GIBSON & COMPANY

703-4-5 Bank of Hamilton Bldg.
TORONTO

The Canadian Converters' Company, Limited

Financial Statement for Year Ending 29th April, 1922

To the Shareholders,

Your Directors in presenting the Sixteenth Annual Statement are pleased to report that although profits are smaller than last year the fixed charges and dividends have been fully earned and ample provision made for Depreciation, Bad Debts, etc.

Investments have been increased from $221,357.20 to $416,033.46, all Income Taxes to date have been provided for, and again we end the year without any Bank Loans.

Dividends at the rate of 7% per annum were paid during the year and the amount of $24,653.55 added to the Balance at the Credit of Profit and Loss Account which now stands at $645,358.11.

The books of the Company have been duly audited and the Auditor's Report is submitted herewith.

JAMES R. GORDON, President.

COMBINED PROFIT AND LOSS ACCOUNT

1922		
April 29th	To Interest on Bonds	$23,940.00
" "	To Reserve for Depreciation and Bad and Doubtful Accounts	32,000.00
" "	To Dividends Paid	91,008.75
" "	To Dividend Payable May 15th, 1922	30,336.25
" "	To Balance at Credit	645,358.11
		$822,643.11
1921		
May 1st	By Balance	$620,704.56
1922		
April 29th	By Profits of Subsidiary Companies for year to date	178,424.59
" "	By Interest on Investments	23,513.96
		$822,643.11

JAMES N. LAING,
J. H. ROY,
Directors.

ASSETS

PROPERTY ACCOUNT			
Real Estate, Plant, Machinery, Goodwill, etc.			$1,896,879.95
INVESTMENT ACCOUNT			
Victory Bonds, etc., with accrued interest to date			416,033.46
CURRENT ASSETS			
Stock of Merchandise, Stores, etc.		$499,069.64	
Accounts Receivable, less Reserve for Bad and Doubtful Accounts		289,883.37	
Cash on Hand and in Bank		31,243.91	
Bills Receivable		68,246.61	
			888,443.53
SUSPENDED ASSETS			
Insurance Prepaid			16,526.42
			$3,217,883.36

LIABILITIES

CAPITAL STOCK			
Authorized 30,000 shares of $100.00 each		$3,000,000.00	
Subscribed and issued 17,335 shares $100.00 each fully paid up			1,733,500.00
MORTGAGE BONDS			
Authorized and issued		$750,000.00	
Less—			
Held by the Company	$291,000.00		
Released from escrow and cancelled	60,000.00		
		351,000.00	
			399,000.00
Of which $200,000 are held in escrow to redeem a like amount of Standard Shirt Manufacturing Co., Limited, Bonds outstanding.			
CURRENT LIABILITIES			
Accounts payable, including War Tax for 1922		$113,106.77	
Accrued interest on Bonds		9,975.00	
Dividend payable 15th May, 1922		30,336.25	
Wages Accrued		14,533.77	
			167,951.79
RESERVE FOR DEPRECIATION			272,073.46
PROFIT AND LOSS ACCOUNT—Balance at Credit			645,358.11
			$3,217,883.36

CONTINGENT LIABILITY

Bills Receivable under Discount $14,272.87

JAMES N. LAING,
J. H. ROY,
Directors.

The Shareholders,
The Canadian Converters' Company, Limited.

We have examined and audited the Books and Accounts of The Canadian Converters' Company, Limited, for the year ending 29th April, 1922.

The Inventories of Stock on hand, as certified by responsible Officials of the Company, have been valued on a conservative basis.

No recent physical appraisal of the Property Account has been made which would indicate to what extent Goodwill is included in that account, and the balance Sheet therefore shows the Assets included therein in the same manner as they have appeared in all previous statements.

We certify that we have obtained all the information and explanations which we have required, and that, in our opinion, the Balance Sheet, as at 29th April, 1922 is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of our information and the explanations given to us, and as shown by the books of the Company.

RIDDELL, STEAD, GRAHAM & HUTCHISON, C.A.
Auditors

Montreal, 25th May, 1922.

WHOLESALE PRICES IN SHARP RANGE FROM 1913 TO 1922

In a Fair Number of Cases Prices Still Remain Double Pre-War

SOME BELOW 1913

Such as Rubber, Only One-fifth, and Metals—Boots and Shoes Still Double—Farm Products—Food Ranges Low —Some Comparisons

From Our Own Correspondent.

MONTREAL.—The department of Commerce of the United States has prepared an interesting chart and figures to accompany it dealing with a comparison of present wholesale prices with those of 1920 and those of 1913, taken as pre-war levels, and in the main these comparisons follow closely the range in Canada.

A few lines are running below prewar prices, including corn, beef cattle, hides, copper, tin, zinc, steel beams, crude, rubber and sulphuric acid.

Double Pre-War

Among those prices which are still double that of pre-war are tobacco, boots and shoes, anthracite coal, petroleum and common brick.

Prices on farm products are taken from the United States Department of Agriculture estimates and also from the United States Bureau of Labor statistics. Taking the individual items, wheat reached its highest point in June, 1920, at 326, and now is 148, where 100 is the pre-war level, taken as the basis of comparison. Corn was up to a miximum price of 300 and is now down to 92, where 100 is a basis for the pre-war level. Potatoes went up to 706 the highest point of any item in the list, and are down to 190.

Cotton was up at 312 is now down 133. Wool was up to 321 and is now down to 150; beef cattle reached 183 in May, 1919, but is now only 93.

Hogs went up to 256 and are now 121. In January this year they went down to 92, that is less than pre-war prices. Hams reached the height of 239, and are now at 167 having been down to 120 in January, 1922.

Prices Below 1913

Among the articles whose wholesale price has fallen below that of 1913 are hides, calf skins, at 72; copper ingots at 81; tin, pig at 65; zinc slabs, western at 86; sulphuric acid at 80; and the lowest of all, Para rubber, at 20, or only one-fifth of the pre-war price. The highest price that this rubber reached was 124 at the beginning of 1913. In January, 1922, it was 24 and since then, in spite of the heavy decline previously, it has shown a further drop.

Below is given a list of prices: prewar, 100; the maximum; those of January, 1922, and the later ones.

Name	Pre-war Price	Max. Price	Jan. 1922	Mar.& Apr.'22
Farm Products—Price to Producer				
Wheat . . .	100	326	122	148
Corn	100	300	74	92
Potatoes . .	100	706	193	190
Cotton . . .	100	312	129	133
Wool . . .	100	344	134	150
Cattle, beef.	100	183	81	93
Hogs	100	256	92	121
Lambs . .	100	239	1201	167
Farm Products—Market Price				
Wheat, No. 1 northern ..	100	354	141	148
Oats	100	296	100	105
Rye	100	451	127	164
Tobacco . .	100	352	208	208
Cotton . . .	100	331	140	143
Wool	100	304	122	152
Cattle, steers	100	218	96	103
Hogs	100	266	93	124
Sheep . . .	100	319	112	151
Lambs. . . .	100	263	156	187
Food				
Flour	100	328	153	171
Sugar . . .	100	598	104	112
Beef	100	201	119	112
Pork	100	254	108	133
Clothing				
Cotton yarns	100	348	148	143
Cotton print .	100	478	168	173
Worsted yarns	100	289	165	161
Dress goods.	100	292	145	145
Silk, Japan..	100	466	186	166
Hides, salted	100	283	90	76
Leather, sole	100	211	121	124
Shoes, men's calf	100	308	217	213
Fuels				
Coal, bitum..	100	323	171	164
Coal, anthr..	100	201	200	200
Coke	100	637	113	133
Petroleum, cr	100	375	241	241
Metals				
Pig iron fdr	100	346	133	131
Steel billets.	100	388	109	109
Copper ingot	100	230	86	81
Lead, pig ..	100	261	107	107
Tin, pig . .	100	224	71	65
Zinc, slab ..	100	386	87	86
Building Materials				
Pine, south..	100	455	182	178
Douglas fir.	100	407	125	125
Brick, red ..	100	381	232	248
Brick, build..	100	251	170	173
Cement . . .	100	195	148	148
Steel beams.	100	331	99	96
Rubber . . .	100	124	24	20
Sulphur. acid	100	250	80	80

Prices Advanced Since January 1

It is worthy of notice that in the majority of cases prices have shown a considerable increase since the beginning of the present year. This is so in the case of all farm products in the list, more so in the average price paid to the producer than the market price, but very noticeable also in the latter in a good many lines.

In food there has been a marked increase also. On the other hand the tendency in clothing has been rather to decline on the whole. Bituminous coal shows a drop, anthracite coal remains at the same price, coke is higher and crude petroleum is the same price. In the case of metals in nearly every case there has been a decline, including copper ingots.

In building materials the prices remain pretty well the same, with a slight decline in rubber and in pine lumber, while brick has shown an advance.

PRIVATE WEALTH FOR PUBLIC GOOD

LONDON.—For the second time within a few months this city has had the good fortune to benefit materially from a bequest made by a public spirited citizen. In the estate of T. A. McMahen head of the drygoods firm of McMahen & Granger, one of the city's youngest business men, $20,000 is to be used for buying and equiping a Children's playground, $10,000 for the Children's Aid Society $10,000 for the Byron Sanitorium and $10,000 for the Ronald Gray Memorial Home.

SWISS IMPORTED MORE THAN CANADA

Allowing for Over $8,000,000 of Canadian Cereals Taken by Switzerland

From Our Own Correspondent.

MONTREAL.—The Swiss consul, Dr. Carl P. Huebscher, makes an important point in connection with the trade between Canada and Switzerland, that his own country imports nearly twenty-five times the amount of goods from Canada that is credited in the returns of the Department of Trade and Commerce. In the statistics just issued covering the fiscal year ended March 31, 1922, the Canadian imports from Switzerland are given as $8,671,608, while Swiss imports of Canadian goods are only $345,626. The latter figure does not take into account however, several million dollars' worth of Canadian grain that goes every year to Switzerland via United States ports, and which are credited to that country in its reports and are not contained in Canadian statistics. Dr. Huebscher takes the Swiss returns for the calendar year ended Dec. 31, 1921, in which Switzerland is shown as importing $8,740,000 of Canadian goods while Canada actually imported less than this from Switzerland, $8,522,000. This places Switzerland in a more correct and much more favorable light as a customer of this country.

TARIFF DEBATE CLEARS THE AIR FOR BUSINESS

(Continued from page 1)

hot for this season and ideal for the crops. There have been local showers all over the province but a good rain would help though the crops are not suffering. Wheat and rye are showing exceptional growth and seeding ception of late oats. Reports from the other western provinces are likewise favorable as are advices from Eastern provinces. Conditions in Alberta are regarded as particularly promising after a series of drought years.

Reporting on the crop outlook in the Weyburn district General Manager Powell of the Weyburn Security Bank states that conditions are the finest he has ever known at this season of the year. Mr. Powell has compiled some very interesting statistics regarding rainfall in Western Canada and Northwestern States and from this he estimates that we are now facing a period of good crop years. Concluding he says:

> I certainly feel very optimistic as to our prospects. Added to this the farmers are working harder than ever themselves and are economizing in every way possible and paying the bills from butter, eggs and other farm produce which will leave the wheat crop to pay debts and increase bank balances. We look for brighter times for this district in the next fe wyears to come.

Business is Better

The June letter of the Canadian Bank of Commerce reports a more hopeful feeling generally in the industrial centres of Eastern Canada, further:

> A more hopeful feeling prevails generally in the industrial centres of eastern Canada. A number of manufacturers in western Ontario find that the amount of goods produced in the winter is insufficient to meet the present demand and in consequence are extending their operations. Knitting and woollen mills, and brass and stove foundries, located at a number of points report activity, and in some cases difficulty is being found in keeping pace with orders received. In important centres such as Hamilton, it is stated by manufacturers that business is improving and that prospects are better now than at any time udring the past year. The majority of factories in Hamilton are taking on additional hands, and the unemployment situation is consequently considerably easier. At Shawinigan Falls, one of the important industrial centres in the Province of Quebec, business is active and there are no complaints of unemployment.

Reports also indicate a noticeable improvement in the iron and steel industry with increased output. In British Columbia the decline in export business to the Orient has affected the lumber industry but there has been some improvement in the movement to Eastern Canada. The building revival in Canada, however, has not beei on anything like the scale indicated throughout the United States.

PLAN DOMESTIC LOANS TO RETIRE VICTORY BONDS

(Continued from page 1)

that bright outlook is again somewhat clouded by a knowledge of the immensity of the work which you will have to accomplish. A glance at the schedule of maturities of our internal government issues for the next few years, which will probably be refunded by domestic loans, will explain what I mean.

Likely to Refund All Loans Here

That is a great responsibility which you share with the Minister of Finance, and one to which this Association, as well as the Minister, is keenly alive. As you know, your Executive has devoted a great deal of time and study to this question, not only in conference with the Minister at a time recently when the possibility of a spring loan was under consideration, but also at our own meetings. That the operation must be conducted on a business basis and that the machinery to be set up must be capable of handling, not only the maturity of 1922, but those of 1923, 1924 and succeeding years, is the basis on which your Executive has attempted to build. Heavy as the task may be, I think I can safely say that your determination and ability to shoulder it and carry it out is of no less weigh.

SMELTERS BONDS

Particulars of New Issue offered to Shareholders

From Our Own Correspondent.

MONTREAL.—A circular letter was sent out to the shareholders of the Consolidated Mining and Smelting Company of Canada offering $6,000,000 of 20-year 7 per cent. convertible gold debenture bonds at par and accrued interest. The bonds will be offered to the shareholders pro rata to the amount of shares held. This works out at $100 face value of debenture bonds for every 16 shares of stock of the Company of the aggregate face value of $400. The bonds may be called for redemption after July 1, 1925, at 110, and any time after July 1, 1927, be converted into stock of the Company at par for par. Practically one-half the issue will go to the holders of the existing bond issue of $3,000,000 who have agreed to exchange the old for the new. It is probable that the Canadian Pacific Railway Co. will secure a large block of bonds as they are large shareholders of the Company. In addition to refunding the existing issue of bonds the proceeds of the new issue will provide for capital obligations of $1,992,000, and the balance will go towards the cost of building a concentrator at the Sullivan Mines in British Columbia, which will have a capacity of about 1,500 tons perday. The balance of $1,500,000 of the authorized issue of $7,500,000 the president writes, "will remain in the treasury to be used for further expansions of the Company's operations when these are deemed expedient."

1,000,000 H. P. FROM JORDAN

The waters of the River Jordan will be transferred into a light and power for Palestine, under a plan, announced recently by the Jewish Joint Distribution Committee, which is assisting in financing two great hydraulic plants. Pinchus Ruttenberg, a Russian engineer, has informed members of the committee that he has British concessions which will permit construction of one plant in the Jaffa district and another further down the river. It is estimated that 1,000,000 horse power will be available, and that 3,000 men eventually will be employed. A total investment of £1,000,000 will be required for the work according to Mr. Ruttenburg.

DIVIDENDS

THE PORTO RICO RAILWAYS COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT a quarterly dividend of one and three-quarters per cent. (1¾%) on the Preferred Stock of this Company has been declared payable on the 2nd day of July, 1922, to shareholders of record at the close of business on the 15th day of June, 1922.

By order.
T. A. SPOOR,
Secretary.

The Toronto General Trusts Corporation

Dividend No. 104

Notice is hereby given that a dividend of three per cent. (3%) has been declared upon the paid-up capital stock of this Corporation for the quarter ending March 31st, 1922, being at the rate of

Twelve Per Cent. Per Annum

and that the same will be payable on and after Monday, the 3rd day of July, 1922.

The transfer books of the Corporation will be closed from Saturday, the 17th day of June until Friday, the 30th day of June, both days inclusive.

By order of the Board of Directors.

A. D. LANGMUIR,
General Manager.

Toronto, June 6th, 1922.

TENDERS WANTED

TOWN OF AMHERSTBURG

6 per cent. debentures-----$17,252.00

of ten equal annual instalments, debentures and interest coupons due first day of June each year.

Tenders for the above will be received up to 8 o'clock p.m., June 12th, 1922.

W. A. McCORMICK,
Town Clerk,
Amherstburg, Ont.

Town of Ford City

TENDERS WANTED

Sealed tenders will be received up to eleven o'clock a.m., June 20th, 1922, for the purchase of Town of Ford City 6% Debentures dated February 1st, 1922, maturing in 20 years, amounting to $63,000.00 covering the purchase of Hydro-Electric lighting system.

Further particulars may be had from the undersigned.

J. F. Foster,
Treasurer.

DIVIDENDS

THE TRINIDAD ELECTRIC COMPANY LTD.

Notice is hereby given that a Dividend of 1% for the quarter ending June 30th, 1922, on the Capital Stock of the Company, has been declared.

Warrants will be issued and mailed to the address of each shareholder and are payable at the Royal Bank of Canada, Halifax, N.S., on and after the 10th of July, 1922.

The transfer books of the Company will be closed from the 1st to the 10th of July, both days inclusive.

By order of the Board,

F. B. Oxley, Secretary,

The SHERWIN-WILLIAMS COMPANY of Canada Limited

Notice is hereby given that Divident No. 7 of One and One Half Per Cent. (1½%), for quarter ending May 31st, 1922, upon the Common Stock of the Company, has been declared, payable to Shareholders of record the Fifteenth day of June, 1922, and cheque for same will be mailed on June Twenty-sixth next.

Books not closed.

By order of the Board,

J. H. GORDON,
Secretary-Treasurer.

Montreal, May 29th, 1922.

The Sherwin-Williams Company of Canada, Limited

Notice is hereby given that the Forty-fourth Quarterly Dividend of One and Three-quarters Per Cent. (1¾%), being at the rate of Seven Per Cent (7%) per annum, for quarter ending May 31st, 1922, upon the Preferred Stock of the Company, has been declared, payable to Shareholders of record the Fifteenth day of June, 1922, and cheques for same will be mailed on the Twenty-sixth day of June next.

Books not closed.

By order of the Board,

J. H. GORDON,
Secretary-treasurer.

Montreal, May 29th, 1922.

Dividend Notice

CANADIAN GENERAL ELECTRIC CO. LIMITED

Common Stock Dividend No. 92

Notice is hereby given that a quarterly dividend of one and one-half per cent. for the three months ending the 30th day of June, 1922, being at the rate of six per cent. per annum, has been declared on the Common Stock of the Company.

The above dividend is payable on and after the 1st day of July, 1922, to shareholders of record at the close of business on the 15th day of June, 1922.

By order of the Board.

W. H. NESBITT,
Secretary.

Toronto, June 5th, 1922.

Dominion Power and Transmission Company, Limited

Notice is hereby given that Dividend No. 46 at the rate of seven per cent. (7%) per annum on the Cumulative Preference Stock of this Company has been declared for the half year ending June 30th, 1922, and that the same is payable on July 15th, 1922, to shareholders of record on the 30th day of June, 1922.

The transfer books for the Preference Stock of the Company will be closed from the 16th day of June, 1922, to the 30th day of June, 1922, both dates inclusive.

By order of the Board of Directors.

WM. C. HAWKINS,
Secretary.

Hamilton, Ont., 5th June, 1922.

THE TORONTO MORTGAGE COMPANY

QUARTERLY DIVIDEND

Notice is hereby given that a Dividend of two and one-half per cent., being at the rate of ten per cent. per annum, upon the paid-up Capital Stock of this Company, has been declared for the current quarter, and that the same will be payable on and after 3rd of July, 1922, to shareholders of record on the books of the Company at the close of business on 15th instant.

By order of the Board.

WALTER GILLESPIE,
Manager.